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August 10, 2001
EXECUTIVE SECRETARY
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VIA HAND DELIVERY

David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

Re: *Docket to Establish Generic Performance Measurements, Benchmarks
and Enforcement Mechanisms for BellSouth Telecommunications, Inc.*
Docket No. 01-00193

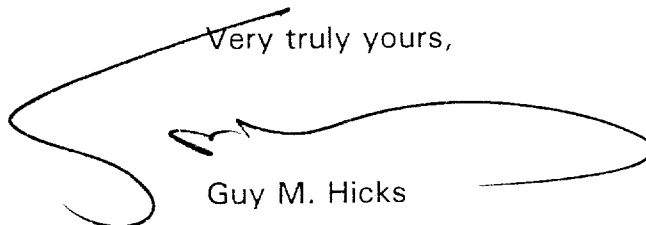
Dear Mr. Waddell:

Enclosed are the original and four paper copies along with CD Rom versions
of Rebuttal Testimony on behalf of BellSouth from the following witnesses:

David Coon
Edward Mulrow
Ronald Pate
William Taylor

The testimony is being provided counsel of record by CD Rom.

Very truly yours,



Guy M. Hicks

GMH:ch
Enclosure

8/10/01

1 BELLSOUTH TELECOMMUNICATIONS, INC.
2 REBUTTAL TESTIMONY OF DAVID A. COON
3 BEFORE THE TENNESSEE REGULATORY AUTHORITY
4 DOCKET NO. 01-00193
5 AUGUST 10, 2001

6
7 Q. PLEASE STATE YOUR NAME, ADDRESS, AND POSITION WITH
8 BELLSOUTH TELECOMMUNICATIONS, INC.

9
10 A. My name is David A. Coon. My business address is 675 West
11 Peachtree Street, Atlanta, Georgia 30375. I am Director -
12 Interconnection Services for BellSouth Telecommunications, Inc.
13 ("BellSouth") and am responsible for managing certain aspects of
14 BellSouth's performance measurements.

15
16 Q. PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.

17
18 A. My career at BellSouth spans over 20 years and includes positions in
19 Network, Regulatory, Finance, Corporate Planning, Small Business
20 Services and Interconnection Operations. I received a Bachelors
21 Degree in Civil Engineering from Ohio University and a Masters Degree
22 in Engineering Administration from George Washington University.

23
24
25

1 Q. ARE YOU THE SAME DAVID A. COON WHO FILED DIRECT
2 TESTIMONY IN THIS PROCEEDING?

3

4 A. Yes, I am.

5

6 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

7

8 A. The purpose of my Rebuttal Testimony is to respond to Direct
9 Testimony filed by certain Competitive Local Exchange Carrier (CLEC)
10 witnesses in this proceeding. I will discuss the CLECS' comments
11 relating to the adequacy of the proposed BellSouth SQM and
12 enforcement mechanisms, as well as the appropriateness of the
13 CLECS' own plan. Specifically, my testimony will address assertions
14 and claims made by AT&T witness Cheryl Bursh, as well as assertions
15 and claims made by WorldCom witness Karen Kinard, COVAD witness
16 Tom Allen, Birch Telecom, Inc. witness Tad Jarret Sauder, and Time
17 Warner Telecom witness Tim Kagele.

18

19 Through my comments I will establish that:

20

- 21 • The CLECs propose an absurd number of performance measurements
22 and sub-metrics that go far beyond the most extreme definition of what
23 is necessary for this Authority to satisfy itself that BellSouth is providing
24 non-discriminatory performance to the CLECs. The CLECs' plan

25

1 contains over 400,000 measurements, as compared to 1200 for the
2 SQM proposed by BellSouth.

3

4 • In addition to proposing a huge quantity of measurements, the CLECs'
5 plan then imposes a penalty on each performance measurement,
6 rather than applying penalties only to those measurements that actually
7 affect customer service.

8

9 • The CLECs' plan bases penalties on the number of measurements
10 missed, instead of the number of transactions missed, which can only
11 be explained by the fact that the CLECs propose so many measures
12 that there will be few transactions within any single measurement
13 category.

14

15 • The CLECs' proposal involves a level of complexity and volume of sub-
16 metrics that would make it virtually impossible to implement in any
17 reasonable timeframe. Again, this is another tactic for delay.

18

19 The CLECs' enforcement plan goes far beyond any reasonable attempt to
20 provide additional incentives to perform. In fact, the CLECs' plan is so
21 excessive that the enforcement mechanism could become a major new
22 revenue stream for the CLECs even if BellSouth is providing a non-
23 discriminatory level of service to the CLECs. For example, even if
24 BellSouth met 99% of the performance standards, proposed by the
25 CLECs, BellSouth would still be required to pay between \$10 million and

1 \$800 million in penalties in a single month. Additional details are provided
2 on pages 44 to 48 of this testimony.

3

4 • Many of the CLECs' proposed standards, either retail analogs or
5 benchmarks, are arbitrary.

6

7 • The CLECs' plan proposes penalty thresholds that are inappropriately
8 low. For instance, where benchmarks are used, parity is often defined
9 as reaching 95% of identified performance. The CLECs' plan then
10 defines the complete and total failure of parity as dropping below 90%.
11 Parity does not mean perfection, as the CLECs apparently would have
12 the TRA believe.

13

14 • The CLECs' proposal includes requirements for additional audits that,
15 as a practical matter, simply cannot be accomplished.

16

17 • I will also comment on the TRA Order, that serves as the starting point
18 for this docket, and point out how Ms. Bursh and Ms. Kinard
19 misinterpret the TRA's holding. In their respective testimonies, Ms.
20 Bursh and Ms. Kinard represent that the TRA has already ruled as they
21 advocate in many respects. However, a review of these orders
22 demonstrate that they are clearly wrong.

23

24

25

1 I. GENERAL RESPONSE TO MS. KINARD’S AND MS. BURSH’S
2 TESTIMONY COMPARING BELL SOUTH’S PLAN VERSUS THE
3 CLECS’ PLAN
4

5 Q. YOU ASSERT THAT THE CLECS’ PLAN CONTAINS TOO MANY
6 MEASUREMENTS AND WOULD BE IMPOSSIBLE TO IMPLEMENT
7 WITHIN A REASONABLE TIME FRAME. WHAT SHOULD AN
8 EFFECTIVE PLAN ACCOMPLISH?
9

10 A. Effective performance and enforcement plans, which is what the
11 Authority should strive to adopt, will provide performance monitoring in
12 the first instance and will have an associated enforcement plan that will
13 be sufficient to prevent backsliding when BellSouth obtains InterLATA
14 relief in Tennessee. Performance monitoring examines an ILEC’s
15 performance to determine whether an ILEC is meeting the three
16 performance standards as defined by the FCC. These standards are
17 set forth in the Act and in the pertinent FCC Orders. Those
18 performance standards are:

- 19 • BellSouth will provide access to the CLECs in “**substantially the**
20 **same time and manner**” that it provides similar services to itself.
21 (FCC 96-325, First Report and Order, Adopted August 1, 1996,
22 Section V.5, ¶ 518). This is the “parity” standard that relates to
23 measurements and processes in situations in which the wholesale
24 function provided to the CLEC has an equivalent BellSouth retail
25 function.

1 • BellSouth will provide access to the CLECs that “**provides an**
2 **efficient competitor a meaningful opportunity to compete.**”
3 (FCC 96-325, Second Order for Reconsideration, Adopted
4 December 13, 1996, Section I., ¶ 9). This standard applies in
5 situations in which the wholesale function has no equivalent
6 BellSouth retail function.

7 • BellSouth will provide interconnection to the CLECs that is “**equal**
8 **in quality**” to what BellSouth provides to itself. (FCC 96-325, First
9 Report and Order, Adopted August 1, 1996, Section IV.H, ¶ 224),
10 This standard applies specifically to interconnection trunking.

11

12 Q. COMPARED TO THE CLECS, HOW DOES BELL SOUTH ADDRESS
13 PERFORMANCE MONITORING?

14

15 A. The BellSouth plan for addressing performance monitoring in this
16 proceeding is the proposed SQM attached to my direct testimony as
17 Exhibit DAC-1. That SQM contains 68 measurements and 2
18 informational reports. BellSouth disaggregates its 68 measurements
19 based on criteria such as (1) method of submission, e.g., mechanized,
20 partially mechanized and non-mechanized; (2) products, e.g. residence
21 and business; (3) activity type, e.g., design and non-design; and (4)
22 volume, e.g., less than 10 circuits and greater than or equal to 10
23 circuits. The end result is approximately 1200 sub-metrics.

24

25

1 While it is not perfectly clear, the CLECs seem to propose 93
2 measurements. However, the CLECs disaggregate each of their
3 measurements into finer detail than the SQM. For instance, they
4 disaggregate the measures into more products, plus they add
5 geographic disaggregation, service order activity, and trouble type.
6 CLECs use the term sub-measure to mean the equivalent structure of a
7 sub-metric in BellSouth's SQM. Although BellSouth has tried very hard
8 to determine the actual number of sub-measures that the CLECs are
9 proposing, both by examining the plan and by asking the CLECs, there
10 is no telling how many sub-measures, each of which will have an
11 associated penalty, that the CLECs are proposing. A conservative
12 estimate leads to the conclusion that there are more than 400,000 sub-
13 measures in the CLEC plan.

14

15 Q. HOW HAVE YOU ARRIVED AT YOUR ESTIMATE OF HOW MANY
16 MEASURES ARE INCLUDED IN THE CLECS' PLAN?

17

18 A. I used the levels of disaggregation proposed by Ms. Kinard in her
19 Exhibit KK-D plus her Exhibits KK-A and KK-B, attached to her
20 testimony, and the list of measurements contained in her Exhibit KK-E.
21 The attached Exhibit DAC-R1 details the number of sub-metrics for
22 each measurement based on Ms. Kinard's proposed levels of
23 disaggregation. As you can see, on page 5 of my exhibit, the grand
24 total for the CLEC aggregate sub-metrics exceeds 400,000 (415,671
25 for this estimate) and could potentially be even larger. For example,

1 there are 165 trouble types under the maintenance & repair
2 measurements. The CLECs have not stated conclusively how many of
3 these trouble types they will want so I have used only 3 in my analysis.
4 If greater than 3 trouble types are necessary, then the total sub-metrics
5 compounds substantially.

6

7 Q. HOW DOES BELL SOUTH ADDRESS ENFORCEMENT?

8

9 A. As I explained in detail in my direct testimony, BellSouth addresses
10 enforcement through a separate plan designed for enforcement called
11 Self Effectuating Enforcement Mechanism (SEEM.) Under SEEM,
12 penalties are assessed for failures to meet performance standards for
13 key customer impacting functions. That is, SEEM includes relevant
14 measures that affect customers, not every measurement somebody
15 could think of. The purpose of a self-effectuating penalty plan is to
16 assess automatic penalties when key outcomes, such as repair
17 appointments, are missed. These outcomes should be limited to those
18 situations that would likely affect a customer's choice of carriers.
19 BellSouth has identified 57 such measures and sub-measures for Tier I
20 and 75 for Tier II. While substantially fewer than the number of sub-
21 metrics proposed by the CLECs, BellSouth's plan includes all key
22 measurements and provides a reasonable and effective enforcement
23 plan that can actually be managed and implemented.

24

25 Q. HOW DOES THE CLEC ENFORCEMENT PLAN WORK?

1

2 A. Essentially, the CLECs propose a penalty for every single one of their
3 measurements, however many there may be. If there are 400,000 sub-
4 measures, then there are 400,000 opportunities to pay a penalty,
5 without any consideration as to whether the measure is actually
6 customer affecting in any way.

7

8 Q. CAN YOU EXPLAIN HOW THE BELL SOUTH PLAN CALCULATES
9 THE PENALTIES THAT WILL BE DUE, AS COMPARED TO THE
10 CLEC PLAN?

11

12 A. Yes. After selecting a set of measurements for which penalties should
13 apply, the next step is to calculate the amount of the penalty due if
14 performance does not meet the standard. The method for calculating
15 the penalty depends upon whether the performance standard is
16 expressed as a benchmark or as a retail analog. The simplest case is
17 where a benchmark applies. In that case, we first determine how far
18 actual performance differs from the benchmark. A penalty is paid for
19 the number of transactions for which we were below the benchmark.
20 For example, if in a given month the benchmark for missed collocation
21 due date is 90% and we met 87% of the dates, we would pay a penalty
22 on 3% of the total collocations scheduled to be completed in that
23 month. The actual penalty amount is simply the number of transactions
24 times the fee per transaction that is contained in the fee schedule that
25 is a part of the SEEM. The CLEC plan, in contrast, where a benchmark

1 is involved, would simply require a payment for the missed
2 measurement, without regard to the number of transactions involved.
3 Under the CLEC plan, BellSouth either makes the measurement and
4 doesn't pay a penalty or fails the measurement and pays a penalty.

5
6 Under the CLEC plan, the range of penalties is the same for every
7 measure. In the case of a measure having a 95% benchmark (which is
8 generally the lowest proposed by the CLECs) a minimum penalty of
9 \$2,500 is paid for performance at the 94.999% level, and a maximum
10 penalty, \$25,000, applies for performance at the 90% level or less.
11 Under BellSouth's plan, the level of the payments varies according to
12 the importance of the measurement to customers and the number of
13 months the measure has been missed.

14

15 Q. MS. KINARD'S EXHIBIT KK-F SPECIFIES THE "CLEC
16 PERFORMANCE STANDARDS BY MEASURE." PLEASE COMMENT
17 ON THE STANDARDS PROPOSED BY THE CLECs.

18

19 A. Performance standards are either retail analogs or benchmarks. In Ms.
20 Kinard's exhibit, there are approximately 50 measurements that have a
21 benchmark as a standard. These benchmarks range from 95% to
22 100% of the specified performance. In making this statement, I am
23 converting those benchmarks that are stated as a "not to exceed level",
24 such as < 1% of calls abandoned from queue, to its reciprocal which
25 would be 99% or above in this example.

1

2 The lowest benchmark on Ms. Kinard's Exhibit is 95%. Among these
3 50 benchmarks are several benchmarks at 98%, 99.5% and 99.99%.
4 However 14 of the 50 benchmarks have 100% as the benchmark. This
5 means that there are no failures allowed on approximately 30% of the
6 measurements that have benchmarks. When these measurements are
7 further broken down as a result of disaggregation, any sub-metrics
8 have the same benchmark.

9

10 Ms. Kinard frequently cites the Texas measurement plan in her
11 testimony. It is interesting to note that even the Texas plan does not
12 have a single benchmark at 100%.

13

14 Q. YOU HAVE JUST EXPLAINED HOW PENALTIES ARE APPLIED
15 WHEN A BENCHMARK IS INVOLVED. HOW IS THE PENALTY
16 AMOUNT CALCULATED WHERE A RETAIL ANALOG APPLIES?

17

18 A. Where a retail analog applies, the process of determining the volume of
19 transactions for which penalties apply under either the BellSouth or the
20 CLEC plan is more complicated. The complication is introduced by the
21 need to determine whether a difference between the BellSouth
22 performance for the CLECs versus its own retail operation indicates a
23 material impact on the CLEC's ability to provide service to its
24 customers. The CLECs agree on the necessity of this activity; their
25 plan, however, ignores it.

1
2 Let me describe the process that the BellSouth plan follows first. The
3 first step in this process is to break down the performance for a SEEM
4 measurement so that comparisons can be made on a like-to-like basis.
5 For SEEM, like-to-like comparisons are established by comparing
6 performance at a cell level. A cell is a grouping of transactions that are
7 sufficiently similar that they can be directly compared. The criteria for
8 like-to-like comparisons (cells) were established by a collaborative
9 study effort on the application of statistical analysis to performance
10 measurement data. This study was conducted at the request of the
11 Louisiana Public Service Commission (LPSC), which resulted in the
12 filing of a "statisticians' report" with the LPSC in September 1999
13 (revised February 2000). The CLECs' statistician, Dr. Colin Mallows,
14 participated in this study. According to Dr. Mallows, and the study
15 participants, a cell, as used in SEEM, is the appropriate basis for like-
16 to-like comparison. In fact, it is stated that "[w]hen possible, data should
17 be compared at an appropriate level, e.g., wire center, time of month,
18 dispatched, residential, new orders."
19
20 Under SEEM, for each cell, a modified z-statistic is calculated. This
21 process is necessary to minimize the impact of extraneous
22 environmental factors on the performance comparisons. The modified
23 z-statistics for each cell are aggregated for the state into a truncated z
24 statistic. The truncated z-statistic simply ensures that the aggregation
25 process does not allow good performance in one cell to mask poor

1 performance in another cell. If the truncated z-statistic indicates that
2 materially deficient performance was provided to a CLEC, a penalty is
3 paid for transactions in each cell where a CLEC's performance was
4 below BellSouth's retail performance. The percent of transactions for
5 which a penalty is paid depends on the degree of certainty that the
6 truncated z-statistic is identifying a material performance difference.
7 Having determined the number of transactions for which penalties
8 apply, the penalty amount is determined by simply multiplying the
9 number of transactions by the penalty fee, which is taken from the fee
10 schedule. This last step is the same regardless of whether the
11 performance standard is expressed as a retail analog or a benchmark.

12

13 Q. COMPARED TO SEEM, HOW DOES THE CLECS' PLAN
14 CALCULATE PENALTIES FOR MEASUREMENTS FOR WHICH
15 THERE ARE ANALOGS?

16

17 A. The CLECs' plan just compares the service that BellSouth provides to
18 the CLECs to the service BellSouth provides in furnishing its own
19 comparable retail service. This involves figuring out what level of
20 service was provided to the CLECs for each of the 400,000 or more
21 categories the CLECs have defined and then figuring out what the
22 comparable level was for BellSouth for the same service. Because of
23 the number of measures, obviously, we would expect a limited number
24 of transactions in each of the huge number of measurement
25 categories. Once the information is obtained for each measurement,

1 the CLECs perform a modified z statistical test on the numbers, and
2 compares the modified z statistical test result to a standard that has
3 been established. If the modified z test statistic is worse than the
4 standard , a penalty is paid. The magnitude of the penalty is
5 determined by how far the modified z statistic score is from the critical
6 value that was adopted. While it may look simpler, no attempt is made
7 to make like-to-like comparisons, as their statistician would require.

8

9 Q. ONE OF THE REASONS YOU SUGGEST THAT THE AUTHORITY
10 SHOULD REJECT THE CLECS' PERFORMANCE PLAN INVOLVES
11 THE PROBLEMS WITH IMPLEMENTING IT. CAN YOU COMMENT
12 FURTHER ON THAT POINT?

13

14 A. If there is no other single reason for rejecting what the CLECs have
15 proposed, the simple fact that their plan cannot be implemented should
16 be a sufficient basis for rejecting the CLECs' plan out of hand. Indeed,
17 under Ms. Kinard's proposal, the Authority or BellSouth or the CLECs
18 themselves would be faced with the daunting proposition of sifting
19 through over 400,000 sub-metrics each month to assess BellSouth's
20 performance just for the aggregate CLEC industry. Adding the sub-
21 metrics for individual CLECs would make this number even more
22 astounding and even more unworkable, if that were possible. One has
23 to wonder what the Authority would do with this volume of data if it were
24 filed with the Authority each month.

25

1 Q. WHY DID YOU SAY THAT THE CLECS' PLAN CAN'T BE
2 IMPLEMENTED?

3

4 A. First, just plain common sense leads me to that conclusion. However,
5 it is not necessary to rely exclusively on common sense in this case.
6 Indeed, the CLECs gave testimony recently in Florida that supports this
7 conclusion as well.

8

9 Specifically, on pages 216 - 219, volume 2 of the transcript of the
10 hearing in Florida Docket No. 000121-TP, held April 25, 2001, Ms.
11 Kinard stated that she was not sure whether their proposal could be
12 implemented. In response to Commissioner Jaber, Ms. Kinard stated
13 that no one had adopted their plan. And in response to BellSouth's
14 attorney, Mr. Carver, Ms. Kinard stated that she didn't know whether
15 the plan could be implemented.

16

17 The only logical conclusion that can be drawn from Ms. Kinard's
18 testimony in Florida is that the CLECs' proposed plan is untried and
19 overly expansive to the point of being confusing and non-workable.
20 Even Ms. Kinard admitted that she didn't know if it could be
21 implemented. Sub-measures totaling from the hundreds of thousands
22 to millions would not only be impossible to implement, but more
23 importantly, would be impossible to use to evaluate BellSouth's
24 performance.

25

1 Further, if this Authority were to order the performance plan proposed
2 by Ms. Kinard, the development time necessary for BellSouth to
3 attempt to implement the plan, compounded with the confusion
4 associated with the excessive granularity of the plan, would delay
5 implementation of any plan approved by the Authority in this
6 proceeding. .
7

8 I have suggested that the sheer size of the metrics called for in the
9 CLECs' plan makes it unworkable. Consider this in the context of what
10 I said in my direct testimony. It takes a massive database just to
11 support the plan BellSouth proposes. The database already
12 approaches the size of the Internet in 1999. Now, the CLECs would
13 multiply that database by a factor of about 25. Neither the CLECs nor
14 BellSouth has identified a way to implement and maintain a database
15 of that magnitude.
16

17 **II. PENALTY PLAN**

18
19 ADDITIONAL REBUTTAL TO MS. BURSH'S DIRECT TESTIMONY
20 REGARDING THE PENALTY PLAN
21

22 Q. PLEASE RESPOND TO MS. BURSH'S STATEMENT AT PAGE 4
23 THAT PENALTIES ARE NEEDED TO "ENFORCE THE SECTION 251
24 MARKET OPENING PROVISIONS OF THE ACT AND ARE NOT
25 SOLELY DESIGNED TO PREVENT SECTION 271 BACKSLIDING."

1

2 A. Ms. Bursh's opinion is not shared by the FCC. In my direct testimony, I
3 provided cites to various FCC orders¹ wherein the FCC is clear that it
4 views penalties as a post-entry means to prevent Section 271
5 backsliding, not as a Section 251 or 271 requirement.

6

7 Ms. Bursh contends at page 5 that "remedies provide the incentive for
8 BellSouth to comply." It is ridiculous to imply that BellSouth has no
9 incentive to comply with performance standards unless threatened with
10 self-effectuating penalties. On the contrary, BellSouth has a multitude
11 of incentives to comply with the Act absent penalties. First, BellSouth's
12 compliance is not contingent upon enforcement mechanisms but is
13 required by law. Second, CLECs have many options to pursue should
14 they believe BellSouth is not in compliance with its obligations (i.e. FCC
15 complaint process, Authority complaint process, or other legal action).

16

17 ¹ *Application of Bell Atlantic New York for Authorization Under Section 271 of the*
18 *Communications Act to Provide In-Region InterLATA Service in the State of New York*, CC
19 *Docket No. 99-295, Memorandum Opinion and Order* (Released December 22, 1999) ("Bell
20 Atlantic New York Order"), ¶429, 432 and fn 1325 to ¶433.
21 *Application by SBC Communications, Inc., Southwestern Bell Telephone Company, and*
22 *Southwestern Bell Communication Services, Inc. d/b/a Southwestern Bell Long Distance*
23 *Pursuant to Section 271 of the Telecommunications Act of 1996 to Provide In-Region,*
24 *InterLATA Services in Texas*, CC Docket No. 00-65, Memorandum Opinion and Order,
25 Released June 30, 2000) ("Southwestern Bell Texas Order"), ¶420.
Joint Application by SBC Communications, Inc., Southwestern Bell Telephone Company, and
Southwestern Bell Communications Services, Inc., d/b/a/ Southwestern Bell Long Distance for
Provision of In-Region, InterLATA Services in Kansas and Oklahoma, CC Docket No. 00-217,
Memorandum Report and Order (Released January 22, 2001) ("Southwestern Bell
Kansas/Oklahoma Order"), ¶269. *Application of Verizon New England Inc., Bell Atlantic*
Communications, Inc. (d/b/a Verizon Long Distance), NYNEX Long Distance Company (d/b/a
Verizon Enterprise Solutions) And Verizon Global Networks Inc., For Authorization to Provide
In-Region, InterLATA Services in Massachusetts, CC Docket No. 01-9, Memorandum Opinion
and Order (Released April 16, 2001) ("Verizon Massachusetts Order"), ¶236.

1 In fact, Ms. Bursh lists such options in her testimony at page 21, stating
2 that these are “remedies that the CLECs could pursue in addition to the
3 Tier I and Tier II payments.” Finally, BellSouth cannot gain the
4 authority to provide long distance service in Tennessee unless it is
5 determined by the FCC – with input from this Authority – that BellSouth
6 is providing nondiscriminatory access to all CLECs in Tennessee.
7 These are powerful incentives for BellSouth to comply with its
8 obligations under the Act, and these incentives have not been
9 diminished by the lack (to-date) of enforcement mechanisms.

10

11 Q. PLEASE RESPOND TO MS. BURSH’S SUGGESTION ON PAGE 4
12 THAT THE PENALTY PLAN SHOULD GO INTO EFFECT PRIOR TO
13 BELL SOUTH RECEIVING 271 APPROVAL.

14

15 A. We acknowledge that in individual arbitrations between BellSouth and
16 certain CLECs, the Authority has found that penalties should be
17 implemented prior to BellSouth obtaining 271 relief. However, as I
18 explained in my direct testimony, it is not appropriate for BellSouth’s
19 penalty plan to take effect until it is necessary to serve its purpose –
20 i.e., until after BellSouth receives interLATA authority. As
21 demonstrated by the FCC’s latest Local Competition Report², local
22 competition is developing quite well in Tennessee without the payment

23

24 ² See Federal Communications Commission Releases Latest Data on Local Telephone Competition,
25 May 21, 2001, Local Telephone Competition: Status as of December 31, 2000.

1 of penalties. Although the FCC's latest report is somewhat dated,
2 Table 6 in that report shows that, as of December 31, 2000, CLECs
3 served 8% of the end user lines in Tennessee. BellSouth's recent
4 estimates of CLEC-served lines are 10% or greater as of May 2001.

5

6 In any event, it is the performance measurements that are designed to
7 demonstrate compliance, not the penalty plan. The penalty plan is
8 designed to prevent backsliding after interLATA relief.

9

10 The FCC's public interest analysis in the Bell Atlantic New York Order
11 supports this conclusion by stating:

12 [o]ur examination of the New York monitoring and enforcement
13 mechanisms is solely for the purpose of determining whether the
14 risk of post-approval [271] non-compliance is sufficiently great
15 that approval of its section 271 application would not be in the
16 public interest. Our analysis has no bearing on the separate
17 question of how the Commission would view and respond to any
18 particular conduct by Bell Atlantic in the *federal* enforcement
19 context. (fn 1326 to ¶ 433, emphasis added).

20

21 The FCC also says, in footnote 1323 of the same Order, (referring to
22 Bell Atlantic's proposed performance plan),

23 [b]ecause this aspect of our public interest inquiry necessarily is
24 forward-looking and requires a predictive judgment, this is a
25 situation where it is appropriate to consider commitments made

1 by the applicant to be subject to a framework in the future.
2 (emphasis added).
3

4 The FCC reached a similar conclusion in its orders approving
5 Southwestern Bell's 271 applications in Texas, Kansas and Oklahoma.
6 (See Southwestern Bell Texas Order, ¶ 423-424; Southwestern Bell
7 Kansas/Oklahoma Order, ¶ 273)
8

9 Performance remedies are not a requirement of Section 251 of the Act,
10 nor are they necessary to ensure that BellSouth fulfills its
11 responsibilities under this section. The FCC, although strongly
12 encouraging "state performance monitoring and post-entry level
13 enforcement," has "never required BOC applicants to demonstrate that
14 they are subject to such mechanisms as a condition of section 271
15 approval." (Bell Atlantic New York Order, ¶ 429, emphasis added).
16 Therefore, performance monitoring and remedies are not required by
17 the Act, and are not necessary to enforce the Section 251 market
18 opening provisions of the Act.
19
20

21 INTERPRETATION OF TRA'S DELTACOM BASED ENFORCEMENT
22 MECHANISM
23

24 Q. ON PAGE 6 OF HER TESTIMONY MS.BURSH STATES THAT THE
25 TRA ADOPTED THE ENFORCEMENT MECHANISM SPECIFIED IN

1 DELTACOM'S "BEST AND FINAL ORDER," DO YOU AGREE WITH
2 THIS INTERPRETATION?

3

4 A. No. BellSouth does not agree with Ms. Bursh's reading of the
5 Authority's order regarding the measurements included in the penalty
6 plan, how the severity of parity failure impacts the amount of penalty
7 payments incurred, and the use of CLEC market penetration levels in
8 determining Tier-2 remedies.

9

10 Q. PLEASE ELABORATE ON BELL SOUTH'S INTERPRETATION OF
11 THE AUTHORITY'S ORDER IN THE DELTACOM ARBITRATION.

12

13 A. In the *Final Order of Arbitration*³, issued February 23, 2001, discussing
14 the process to determine BellSouth's compliance with standards and
15 benchmarks, the Authority specifically adopted:

16

- 17 • BellSouth's process (Page 6 of Feb. Order)
- 18
- 19 • The Truncated-Z statistical methodology (Page 6 of Feb.
20 Order)
- 21
- 22
- 23

24 ³ Before the Tennessee Regulatory Authority, In RE: Petition For Arbitration By ITC^DeltaCom
25 Communications, Inc. With BellSouth Telecommunications, Inc. Pursuant To The
Telecommunications Act of 1996, Final Order of Arbitration, Docket No. 99-00430, February
23, 2001. pp. 6 –11.

- 1 • The table of measurement categories listed in BellSouth's
2 VSEEM plan, with adjusted dollar amounts. (Page 11 of
3 Feb. Order)

4

5 None of these items, adopted by the Authority, were features of the
6 plan presented by DeltaCom which closely resembles the plan
7 advocated by Ms. Bursh. Quite frankly, we are at a loss to
8 understand how Ms. Bursh could possibly claim in any way that the
9 Authority adopted positions consistent with her positions as regards
10 these items.

11

12 Q. IN DISCUSSING THE STARTING POINT FOR THIS PROCEEDING
13 REGARDING THE CALCULATION OF PENALTY PAYMENTS, MS.
14 BURSH APPEARS TO IMPLY THAT THE AUTHORITY ADOPTED
15 THE METHOD FOR CALCULATING THE PENALTY PAYMENTS
16 THAT SHE PROPOSES ON PAGES 14 TO 19 IN HER DIRECT
17 TESTIMONY. DO YOU AGREE?

18

19 A. No. In Ms. Bursh's testimony, the tables, 'quadratic functions',
20 formulae, and market penetration "N" factors are all intended to
21 determine the amount of the penalty payment, given a statistical test of
22 performance against a retail analog or variation from a benchmark.
23 However, in the Authority's ruling in the February 23, 2001 order, the
24 amount of the penalty payment was established per the table of

25

1 measurement categories I discussed above. The Authority included
2 this table as Exhibit A to the February 23, 2001 Order.

3

4 Q. DO YOU AGREE WITH ANY PART OF MS. BURSH'S
5 INTERPRETATION OF THE AUTHORITY'S ORDER IN THE
6 DELTACOM ARBTRATION?

7

8 A. Yes. I agree with Ms. Bursh's assertion that the TRA adopted a two-
9 tier remedy structure.

10

11 Q. MS. BURSH, ON PAGE 10 OF HER TESTIMONY, STATES THAT NO
12 MEASURES ARE EXCLUDED FROM THE REMEDY PLAN BASED
13 ON THE TRA'S DECISION IN THE DELTACOM ARBITRATION. DO
14 YOU AGREE WITH THIS INTERPRETATION?

15

16 A. No. The Authority ordered the "categories listed in BellSouth's
17 'Liquidated Damages Table for Tier-1 Measures' and 'Voluntary
18 Payments for Tier-2 Measures'...and the dollar amounts...as adjusted."
19 The Authority used BellSouth's remedy plan, but adjusted the amount
20 listed in the tables referenced. This is based on the *Final Order Of*
21 *Arbitration* in the ITC^DeltaCom case. The BellSouth measurement
22 categories, to which the Authority referred, only included the sub-
23 metrics contained in BellSouth's VSEEM plan. Both the VSEEM plan,
24 adopted in the DeltaCom arbitration, and the SEEM plan, which
25 BellSouth now proposes, assess penalties for failure to meet

1 performance standards for key customer impacting functions. Clearly,
2 a self-effectuating penalty plan should be limited to those outcomes
3 that would likely affect a customer's choice of carriers.

4
5 BellSouth does not agree with Ms. Bursh's apparent position that the
6 TRA intended to include all of the performance measurements
7 advocated by ITC^Deltacom in the remedy plan ordered by the
8 Authority, nor that they should be. BellSouth's position is further
9 supported by the TRA's recent decision in the arbitration of the
10 interconnection agreement between BellSouth and Intermedia
11 Communications, Inc., Docket No. 99-00948. At the TRA Directors'
12 Conference on July 7, 2001, the Authority adopted BellSouth's VSEEM
13 plan. This decision by the TRA speaks to the intent of the decision in
14 the DeltaCom Order.

15

16 Q. MS. BURSH, ON PAGE 14 OF HER TESTIMONY, INDICATES THAT
17 THE AUTHORITY ADOPTED THE CLECS' QUADRATIC FUNCTION,
18 AS DESCRIBED IN TABLE I THAT SHE REFERENCES, FOR THE
19 PURPOSE OF DETERMINING THE AMOUNT OF PENALTY
20 PAYMENTS BASED ON THE SEVERITY OF PARITY FAILURE. IS
21 THIS ALSO BELLSOUTH'S READING OF THE AUTHORITY'S
22 DECISION?

23

24 A. No. As already mentioned, the Authority was quite clear in specifying
25 that BellSouth's Tier-1 and Tier-2 categories were adopted, and that

1 only the amounts included in the associated fee schedule were
2 adjusted based on DeltaCom's "Best And Final Offer". The CLEC plan
3 divides performance into four categories: compliant, basic failure,
4 intermediate failure, and severe failure. These categories are defined
5 by a quadratic function shown in Table I, page 15, of Ms. Bursh's
6 testimony. However, nowhere in any of the orders issued in the
7 DeltaCom arbitration does the Authority refer to the "consequence
8 function" used in the CLEC plan. As mentioned earlier in my testimony,
9 the Authority's decision in the Intermedia Communications, Inc.
10 arbitration to adopt BellSouth's VSEEM plan in its entirety is instructive
11 in refuting Ms. Bursh's reading of the Authority's decision in the
12 DeltaCom case.

13

14 Q. ON PAGE 16 OF HER TESTIMONY, MS. BURSH STATES "CLECS'
15 SUPPORT AN ADDITIONAL \$25,000 PAYMENT TO THE CLEC FOR
16 'CHRONIC' OR RECURRING PERFORMANCE FAILURES" FOR TIER
17 1. IS THIS WHAT THE AUTHORITY ORDERED IN THE DELTACOM
18 ARBITRATION?

19

20 A. No, this is not what the Authority ordered. It is unclear, however,
21 whether Ms. Bursh is stating that the Authority ordered this in the
22 DeltaCom arbitration or whether she is simply recommending this
23 additional remedy. The plan proposed by Ms. Bursh requires a
24 \$25,000 payment once a three-month threshold of noncompliant
25 performance for a specific CLEC is reached. This \$25,000 payment

1 continues each month of noncompliance and is paid to that individual
2 CLEC. If compliance is achieved in one month, this “resets the clock.”
3 This is, however, inconsistent with the Authority’s order. In fact, Exhibit
4 A of the *Final Order Of Arbitration* specifies how remedy payments are
5 structured. In particular, the three-month threshold of noncompliance
6 that triggers remedy payments, only applies to Tier-2.

7
8 Q. ON PAGE 18 OF HER TESTIMONY MS. BURSH STATES THAT THE
9 AUTHORITY ADOPTED THE CLECS’ MARKET PENETRATION
10 LEVELS AS A BASIS FOR DETERMINING TIER-2 REMEDY
11 PAYMENTS IN THE ITC^DELTACOM ARBITRATION. IS THIS
12 CORRECT?

13
14 A. No. Again, the remedy plan that the Authority adopted is based on the
15 BellSouth VSEEM plan. BellSouth’s “Voluntary Payments for Tier-2
16 Measures” table, as adjusted by the Authority, is included as Exhibit A
17 of the *Final Order Of Arbitration* issued on February 23, 2001. This
18 table, neither explicitly nor implicitly, makes any reference to the use of
19 a market penetration factor in calculating Tier-2 remedy payments.

20
21 The CLEC plan uses an “n” factor, which is essentially a 1 to 10 rating
22 scale of CLEC market penetration or presence in a given state. This
23 market penetration is based on CLEC served lines compared to ILEC
24 served lines. The “n” factor is simply a multiplier used in the CLECs’
25 Tier-2 penalty calculations shown in Table I, page 18 of Ms. Bursh’s

1 testimony. This clearly was not included in the Authority's February 23,
2 2001 DeltaCom decision.

3

4 APPROPRIATE SUB-METRICS FOR THE ENFORCEMENT PLAN

5

6 Q. YOU ALREADY STATED THAT MS. BURSH MISINTERPRETED THE
7 TRA'S ITC^DELTACOM ORDER TO INCLUDE ALL OF THE
8 MEASUREMENTS IN THE PENALTY PLAN. CAN YOU EXPLAIN IN
9 MORE DETAIL WHY A SELF-EFFECTUATING ENFORCEMENT
10 PLAN SHOULD NOT INCLUDE ALL THE PERFORMANCE SUB-
11 METRICS?

12

13 A. Certainly. Basically, there are at least seven reasons why the penalty
14 plan should not include all the performance sub-metrics. I will discuss
15 each one separately:

16

17 (1) Aggregation of Measures– Contrary to the views of both Ms. Kinard
18 and Ms. Bursh, it is not productive or appropriate to disaggregate to
19 the same level for both compliance reporting and remedy reporting.
20 Consider, for example, xDSL services. HDSL, ADSL and UCL services
21 are all provided on a pair of copper wires. The services are only
22 distinguishable based on the electronics installed on the customer end
23 by the CLEC, and perhaps by the maximum length of the loop used for
24 each service. Therefore, BellSouth's aggregate performance in
25 ordering, provisioning and maintaining all three of these loops is

1 appropriate for determining any degree of disparate treatment for the
2 purpose of assessing remedies. Such aggregation is also useful
3 because it impacts the volumes of the transactions that can be
4 measured. Using the same example, volumes for HDSL, ADSL and
5 UCL individually may be too small to accurately measure disparate
6 performance but when viewed under the aggregated category of xDSL
7 there is sufficient activity to make a determination of disparate
8 performance.

9
10 (2) Diagnostic Measures – These are measurements that identify a portion
11 of an overall process that does not have an impact on the end user or
12 that are simply a different way of displaying information associated
13 with a measurement. For example, consider the measurements O-7,
14 Percent Rejected Service Requests and O-8, Reject Interval (see
15 Exhibit DAC-1 attached to my direct testimony). Both measurements
16 are included in the BellSouth proposed SQM. However, only Reject
17 Interval should be a part of any enforcement plan because it is the
18 interval that impacts the outcome in terms of the perception of the
19 CLEC's end user because it impacts the overall delivery of the
20 requested service. The Percent Rejected Service Requests is a
21 valuable diagnostic tool for the CLEC, particularly in evaluating the
22 effectiveness of the CLEC's service representatives' ability to issue
23 complete and accurate Local Service Requests. However, it is not a
24 true representation of BellSouth's performance and therefore should be
25 excluded from enforcement.

- 1 (3) Method of Submission – Using the previous example of Reject Interval,
2 the BellSouth Proposed SQM disaggregates this measurement by 3
3 methods of submission, fully mechanized, partially mechanized and
4 non-mechanized (manual). For an effective enforcement plan,
5 however, only the fully mechanized portion of this measurement
6 should be included since this is the method of submission where the
7 preponderance of CLEC activity occurs. Also, partially mechanized
8 and non-mechanized methods of submission are subject to gaming by
9 the CLECs. LSRs can effectively be submitted with known errors in
10 such a way as to guarantee a penalty payment.
11
- 12 (4) Parity by Design Measures – Certain measures, i.e. E911 (E-1 to E-3 in
13 Exhibit DAC-1) and Operator Services & Directory Assistance (OS-1
14 and OS-2 in Exhibit DAC-1) are considered parity by design. This
15 means that the processes that are addressed by these measures are
16 such that it is physically impossible for BellSouth to distinguish between
17 CLEC orders and orders for BellSouth retail. BellSouth does provide
18 data for these measures in its proposed SQM, but since there is no
19 distinguishable difference in this data between retail and wholesale,
20 there is no opportunity for disparate treatment and therefore no reason
21 for remedies.
- 22 (5) Correlated Measures – As I testified in my direct testimony, generally,
23 remedies should not apply to performance measures that are shown to
24 be duplicative of or “correlated” with other measures. It would be
25 inappropriately punitive to require BellSouth to pay (at minimum) twice

1 for the same act or inaction. Attached to my testimony, as Exhibit
2 DAC-R2, is a matrix which shows measurements in the BellSouth
3 proposed SQM that BellSouth feels are duplicative of or correlated with
4 other measures. While the overlap is not always absolute, the
5 measures are clearly related. To avoid an inappropriate duplication,
6 only one of each class of interdependent measures should be used.
7 To do otherwise would subject BellSouth to the possibility of making
8 multiple payments for the same failure.

9
10 (6) Regional Measures – Some of the measurements proposed by
11 BellSouth and the CLECs are regional only in scope, meaning that data
12 is only produced at the region level. For example, BellSouth's OSSs
13 are regional systems; therefore measurements such as OSS Average
14 Response Time and Response Interval and OSS Interface Availability
15 would only be relevant to the CLEC industry in the aggregate. As such,
16 there is no basis to assess penalties for these sub-metrics as part of a
17 Tier 1 enforcement plan since Tier 1 is CLEC specific and OSS
18 performance is the same for all CLECs.

19
20 (7) Volume categories – SEEM addresses systemic functions, so volume
21 categories are not needed.

22

23 Q. HOW DOES THE CLECS' PLAN COMPARE IN THIS REGARD?

24

25

1 A. I have already touched on the number of measurements that the CLEC
2 plan has. The CLECs' penalty plan uses an unreasonably punitive
3 approach. If you miss one of their more than 400,000 measurements,
4 you pay a penalty. While the CLECs' plan does have three levels of
5 penalties, the "miss" necessary to move the penalty from \$2500 per
6 measurement to \$25,000 per measurement is miniscule.
7
8 They make no attempt to determine whether a sub-measure is likely to
9 directly affect a customer's choice of carrier. The CLECs simply apply
10 the same penalty to each measurement with the only variable being
11 their assessment of relative severity. CLECs can hardly claim that
12 each sub-measure monitors a "key" area of activity. Any such claim is
13 easily contradicted by the fact that the CLECs' plan would define more
14 than 400,000 "key areas" of activity. This is absurd, especially given
15 the fact that although the CLECs have a substantial volume of
16 competitive activity, many of these so-called "key" areas have no
17 transactions for any CLEC in the state.
18
19 Moreover, while I have already mentioned the fact that BellSouth's
20 plan attempts to account for the fact that measures can be "correlated,"
21 the CLECs' plan makes no such effort. They have noted that
22 correlation may be a problem, but suggest that it would have to be
23 addressed later, since, in their opinion, no studies or analysis has been
24 done to determine which of their measures are correlated to other of
25 their measures. What they are really saying is that it is okay for

1 BellSouth to pay multiple penalties for the same transaction while the
2 studies proceed. That isn't fair on its face, much less in application.

3

4 Yet another problem is that the CLECs' plan assesses penalties in
5 more cases where performance results are inconclusive. One
6 consequence of having hundreds of thousands of sub-metrics is that a
7 much larger number of sub-metrics are evaluated based on a small
8 number of transactions. As the statisticians discuss, small numbers of
9 transactions are less reliable indicators of performance. In fact, where
10 the number of transactions is too small, the results are actually
11 inconclusive. Nonetheless, if these low volume sub-metrics indicate,
12 however erroneously, that performance is deficient, the CLECs' plan
13 assesses a penalty.

14

15 Q. MS. BURSH, ON PAGE 10 OF HER TESTIMONY, STATES THAT
16 BEFORE ANY MEASURES ARE EXCLUDED FROM THE REMEDY
17 PLAN BECAUSE THEY ARE DUPLICATIVE OF OR CORRELATED
18 WITH OTHER MEASURES "A THOROUGH AND APPROPRIATE
19 INVESTIGATION" SHOULD BE CONDUCTED. HOW DOES
20 BELL SOUTH VIEW THIS STATEMENT?

21

22 A. Although Ms. Bursh agrees that penalties should not apply to highly
23 correlated measures, she nonetheless wants to be paid penalties until
24 this undefined "thorough and appropriate investigation" is completed.
25 There is no rule that requires an abandonment of common sense in

1 evaluating these matters. Neither does it take an expensive, drawn-out
2 analysis to conclude that certain measures are highly correlated. For
3 example, to be a "Held Order," the installation appointment for that
4 order had to have been missed. Consequently, each Held Order is
5 already reflected in Missed Installation Appointments. No data analysis
6 is necessary to conclude that there is a high degree of correlation
7 between these two measures. This same logic can be used to
8 determine other duplicative or correlated measures. As I mentioned
9 earlier, BellSouth's view of correlated measurements is summarized on
10 Exhibit DAC-R2..

11

12 Q. HAS THE FCC DETERMINED THAT IT IS NECESSARY TO HAVE
13 PENALTIES ASSOCIATED WITH EVERY ONE OF THE
14 MEASUREMENTS PROPOSED IN A PERFORMANCE PLAN?

15

16 A. No. The FCC has determined exactly the opposite. Performance
17 reporting allows the Authority to determine whether BellSouth is
18 meeting its commitments under Sections 251 and 252 of the
19 Telecommunications Act of 1996. The purpose of the enforcement
20 plan is to provide additional assurance that BellSouth will not
21 "backslide" once it obtains interLATA relief. It is the automatic nature of
22 these penalties that give the FCC and DOJ comfort in the plan's
23 effectiveness as a further deterrent against backsliding. The FCC has
24 clearly recognized that, in the latter case, only a limited number of key

25

1 measures need be examined. For instance, in its order granting 271
2 authority to Bell Atlantic – New York, the FCC specifically stated:

3 We also believe that the scope of performance covered by the
4 Carrier-to-Carrier metrics is sufficiently comprehensive, and that
5 the New York Commission reasonably selected key competition-
6 affecting metrics from this list for inclusion in the enforcement
7 plan. We disagree with commenters who suggest that additional
8 metrics must be added to the plan in order to ensure its
9 effectiveness, and note that the New York Commission has
10 considered and rejected similar arguments.

11 (footnotes omitted) NY, Para 439, FCC 99-404, 12/22/99.

12
13 PENALTY PLAN CALCULATIONS

14
15 Q. ON PAGE 23 OF HER TESTIMONY, MS. BURSH ASSERTS THAT
16 THE BASE REMEDY PLAN ADOPTED BY THE TRA CAN FAIL TO
17 SANCTION POOR PERFORMANCE BY REQUIRING THREE
18 CONSECUTIVE MONTHS TO INCUR CONSEQUENCES AT THE
19 TIER 2 LEVEL. INSTEAD SHE PROPOSES THAT PENALTIES
20 APPLY EACH MONTH. HOW DO YOU RESPOND TO THIS?

21
22 A. It is important to remember that in the plan adopted by the TRA, Tier 1
23 applies each month. This feature is also included in the plan proposed
24 by BellSouth in this docket. A second point that should be made is that
25 the CLEC proposal does not make any real distinction between what

1 constitutes a Tier 1 versus a Tier 2 impact. Specifically, Ms. Bursh's
2 argument is that all of the measures should be included in both Tier 1
3 and Tier 2 applications. Also, the penalty amount under Tier 2 is
4 calculated by simply multiplying the Tier 1 amount by a market
5 penetration factor. The CLEC proposal blurs the line between Tier 1
6 treatment and Tier 2 treatment. Ms. Bursh states, starting at page 23
7 line 27 to page 24 line1, "A determination of non-compliance in Tier II
8 means that CLEC customers are impacted in greater volumes."
9 However, the plan proposed by Ms. Bursh does not use volume as a
10 basis for calculating remedies. In fact, she criticizes BellSouth's
11 transaction or volume-based plan. In other words, what Ms. Bursh is
12 asking the Authority to do is to apply an additional Tier 1 penalty each
13 month, a Tier 2 penalty each month and, if the noncompliance
14 continues for a third month, to apply a penalty for what is called
15 "chronic" performance failures. This scheme would potentially be
16 applied to the over 400,000 sub-metrics proposed by the CLECs.
17 Clearly, such a proposal defies the limits of reasoned consideration.

18

19 Q. HOW WOULD YOU ADDRESS MS. BURSH'S PENALTY PROPOSAL
20 IN GENERAL?

21

22 A. There are three areas of Ms. Bursh's proposal that I would like to
23 address: (1) the penalties for "chronic" Tier 1 failures; (2) the basic
24 design of Tier 2 penalties; and (3) the market penetration adjustment. I
25 will discuss each of these issues separately.

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Q. PLEASE ADDRESS THE PROBLEMS WITH MS. BURSH'S
PROPOSAL FOR "CHRONIC" TIER 1 PENALTIES.

A. Ms. Bursh is, in essence, proposing to double the penalty to \$50,000 (\$25,000 from the Tier-1 penalty calculation plus an additional \$25,000 penalty for recurring failures) per sub-metric if the performance deficiency exists for three months. The fact that this penalty would be applied per sub-metric is very significant, since the CLECs are proposing over 400,000 such sub-metrics. This proposal has all of the same flaws that her regular (non-chronic) Tier-1 proposal contains, e.g.;

- assessed on sub-metric basis
- penalty thresholds are too low
- too many potential sub-metrics to assess

Her chronic Tier-1 proposal simply makes each of these flaws twice as onerous by doubling the penalty amount.

The concept of escalating Tier-1 payments if deficiencies persist is addressed in BellSouth's SEEM proposal. Under SEEM, the penalty per transaction increases each consecutive month that the performance standard is not met, up through month 6. Consequently, SEEM is more sensitive to this concept than Ms. Bursh's proposal and doesn't have the flaws of her proposal.

1 Q. PLEASE DISCUSS THE BASIC DESIGN OF MS. BURSH'S TIER 2
2 PENALTY PROPOSAL.

3

4 A. The basic design of Ms. Bursh's proposal has all the same structural
5 flaws that her Tier-1 and Chronic Tier-1 proposals have. In addition,
6 her Tier-2 proposal is nothing more than a multiplier of the Tier-1
7 penalty. It doesn't address any issues different than those addressed
8 in Tier-1. Her Tier-2 penalties are assessed each month if statewide
9 performance is below the established standard. Of course, if statewide
10 performance doesn't pass muster, performance for some individual
11 CLECs must be below the standard. BellSouth will already have paid
12 penalties to individual CLECs in this case. It serves no useful purpose
13 to assess BellSouth yet again for the same deficiency for which
14 penalties would already apply. A more appropriate role for Tier 2, as
15 the Authority has already recognized, is to address performance that is
16 persistently below the analogs or benchmarks. However, assessing
17 Tier 2 each month negates the ability to do this.

18

19 Q. PLEASE ADDRESS MS. BURSH'S MARKET PENETRATION
20 ADJUSTMENT.

21

22 A. Ms. Bursh's market penetration proposal was not adopted in the
23 DeltaCom arbitration and neither should it be adopted in this generic
24 proceeding for several reasons:

- 25
- It discourages CLECs from competing

- 1 • It incorrectly assumes that BellSouth's performance is the principal
- 2 reason for CLECs not competing
- 3 • It reduces payments as volumes of transactions grow instead of
- 4 increasing them
- 5 • The impact is unreasonably large - \$150,000 per sub-metric in
- 6 Tennessee.

7

8 The market penetration adjustment increases the level of penalty for no

9 other reason than the CLECs have market share below a pre-

10 determined arbitrary level. So, if CLECs choose not to enter the

11 market or compete vigorously due to any reason, BellSouth would have

12 to pay higher penalties. For instance, assuming the CLECs serve 10%

13 of the lines in Tennessee, the market penetration factor proposed by

14 Ms. Bursh on page 19 of her testimony is 6. This means multiply any

15 penalty by a factor of 6. There is no plausible way to explain why

16 BellSouth should be penalized more because of CLECs' business

17 decisions; and the "more" is substantial. Instead of a \$25,000 penalty

18 per sub-metric, under Tier 2 the penalty would be \$150,000 per sub-

19 metric in Tennessee.

20

21 Even more ridiculous is the fact that the penalties proposed by the

22 CLECs would decrease as CLECs' market share grows and the volume

23 of transactions increase. There is no logical reason for adopting the

24 market penetration adjustment proposed by the CLECs.

25

1 GENERAL RESPONSE TO THE CLEC ENFORCEMENT PLAN

2

3 Q. SHOULD THIS AUTHORITY ADOPT THE CLEC PROPOSED
4 PERFORMANCE INCENTIVE PLAN, VERSION 2.0, AS PROPOSED
5 BY MS. BURSH?

6

7 A. No. BellSouth's proposed plan is the appropriate plan for this Authority
8 to adopt in this generic proceeding for the following reasons:

- 9 • It is a comprehensive plan crafted on sound principles.
- 10 • The Two-Tiered Structure serves to insure that BellSouth will
11 continue to provide service parity by escalating penalties for
12 continued violations.
- 13 • The plan recognizes that not all metrics are equal, and that all
14 metrics are not equally important to CLECs, by offering greater
15 remedies for certain measurements than for others.
- 16 • Remedies escalate with increased disparity and the increased
17 certainty of disparity.
- 18 • The statistical methodology adopted by the TRA in the Deltacom
19 arbitration and proposed by BellSouth in this proceeding is very
20 sensitive to identifying systemic disparate treatment, thereby
21 insuring that BellSouth will provide nondiscriminatory performance.
- 22 • Adoption of the balancing critical value methodology makes
23 remedies more available in emerging markets thereby insuring that
24 BellSouth will not ignore new entrants.

25

1 The CLECs' proposal, on the other hand, has some glaring problems.

2 For example:

- 3 • Inclusion of all measures carrying equal weight despite the fact that
4 all measures do not have the same impact on customers. Again, as
5 an example, the CLECs apparently believe missing several seconds
6 on the Average Response Interval – OSS is as important as missing
7 the Installation Appointment for a UNE Loop by several days.
- 8 • Basing a decision about parity on a level of disaggregation that
9 does not compare “like-to-like” observations.
- 10 • Building a remedy plan based solely on the output of a statistical
11 methodology that is flawed as discussed further in Dr. Mulrow's
12 Rebuttal Testimony.
- 13 • Tier-1 and Tier-2 remedies have conflicting concepts. Tier-1
14 remedies are based on a “Per Measure” which ignores market
15 penetration. In contrast, Tier-2 penalties are driven exclusively by
16 market penetration.
- 17 • Fixed “consequence” dollars or a flat dollar amount per transaction
18 missed. Once the measurement is missed for a given month, the
19 consequences do not increase if performance worsens.

20

21 Last, and most importantly, BellSouth's remedy plan was designed
22 specifically to work in conjunction with BellSouth's mechanized SQM
23 platform to mechanically deliver remedies based on identified disparate
24 treatment. BellSouth's remedy plan can be implemented, but the
25 CLECs' plan cannot, for a long time, if ever. To implement a new

1 remedy plan now would nullify the years of effort and costs entailed by
2 BellSouth to deliver a self-effectuating enforcement plan and would
3 therefore delay significantly BellSouth's ability to deliver performance
4 remedies.

5

6 Q. TURNING TO ANOTHER MATTER, PLEASE RESPOND TO MS.
7 BURSH'S COMMENT ON PAGE 11 OF HER TESTIMONY THAT
8 PENALTIES SHOULD BE ASSESSED ON MANUAL AND PARTIALLY
9 MECHANIZED ORDERING PROCESSES.

10

11 A. Ms. Bursh's proposal should not be adopted. Although two types of
12 orders are specified here, i.e., manual orders and partially mechanized
13 orders, both types of orders are actually processed manually. Partially
14 mechanized orders are orders that are submitted electronically, but that
15 require manual intervention, while manual orders are submitted via fax
16 machine. Note that penalties applicable for other operations, such as
17 repair and provisioning, apply to all types of orders. The dispute here
18 concerns penalties associated with ordering measurements only.

19

20 As previously mentioned, BellSouth proposes to have automatic
21 penalties apply to fully mechanized orders. Fully mechanized orders
22 account for about 75% of the total orders processed, so the dispute
23 here is over the remaining 25% of orders. Automatic penalties should
24 not apply to partially mechanized and manual orders because it is too
25 likely that penalties would be triggered through no fault of BellSouth.

1 Unlike fully mechanized orders, which are limited to those orders that
2 have been designed to flow through the entire process, virtually
3 anything can be ordered manually. By design, partially mechanized
4 orders are more complicated requests that have been submitted
5 electronically but that fall out of the process for manual intervention by
6 a BellSouth representative.

7
8 Since the complexity of manual and partially mechanized orders could
9 vary widely from month-to-month, the time and effort required to fulfill
10 them will vary widely. With such wide potential variations in
11 performance, simply due to the complexities of orders that happen to
12 be submitted that month, automatic penalties should not apply. These
13 types of orders are subject to all other available remedies if a problem
14 exists with them.

15

16 CAP ON ENFORCEMENT PENALTY PAYMENTS

17

18 Q. ALTHOUGH THE AUTHORITY ADOPTED AN ABSOLUTE CAP IN
19 THE DELTACOM ARBITRATION, MS. BURSH OPPOSES THIS
20 APPROACH IN HER TESTIMONY. (PAGE 22) WHAT DO THE
21 CLECS PROPOSE?

22

23 A. The CLECs propose a “procedural cap.” A procedural cap is, in fact,
24 not a specific cap at all. The CLECs’ plan appears to include a
25 provision that would allow BellSouth to seek regulatory relief from

1 excessive penalties only after a preset level of liability is incurred. This
2 approach would effectively require BellSouth to agree to pay penalties
3 automatically, which could potentially be imposed without limit. This is
4 absurd. An enforcement plan should not be so onerous as to
5 potentially cripple the ILEC economically. This would result in a
6 detrimental effect, not only on BellSouth's performance to the CLECs,
7 but also on BellSouth's retail customers. In the final analysis,
8 Tennessee consumers would surely suffer as the result of such an
9 approach.

10

11 As already mentioned, the plan adopted by the Authority in the
12 ITC^DeltaCom arbitration, and the plan that BellSouth proposes for this
13 generic proceeding, both include an absolute cap on penalties. Any
14 self-executing remedy plan adopted by the Authority should contain an
15 absolute monetary cap. In agreeing to an enforcement plan, BellSouth
16 or any ILEC has to balance its responsibilities to its shareholders and
17 its customers. In this case, BellSouth's customers include CLECs,
18 IXCs, retail customers and others. BellSouth cannot be required to
19 jeopardize its ability to fulfill its responsibilities to all of these groups
20 solely for the benefit of one group, but that is what an un-capped plan
21 would do. Beyond this, it should be recalled that the purpose of this
22 enforcement plan is to prevent "backsliding" when BellSouth obtains
23 interLATA relief in Tennessee.

24

25

1 Q. IS THERE ANY PRECEDENT FOR BELL SOUTH'S PROPOSAL TO
2 USE AN ABSOLUTE CAP?

3

4 A. Yes. As pointed out in my direct testimony in this proceeding, the FCC
5 has now approved enforcement plans for five states and in each
6 instance an absolute cap, such as the one BellSouth proposes here,
7 was imposed.

8

9 It is important to remember that no matter what the cap, CLECs will
10 retain the right to pursue other legal remedies under the Act before
11 state and federal agencies and before state and federal courts of law.
12 As the FCC has repeatedly stated, a self-executing enforcement plan is
13 not intended to be "the only means of ensuring that [the RBOC]
14 continues to provide nondiscriminatory service to competing carriers.
15 In addition to the [financial dollars] at stake ... [the RBOC] faces other
16 consequences if it fails to sustain a high level of service to competing
17 carriers, including: federal enforcement action pursuant to section
18 271(d)(6); ... and remedies associated with antitrust and other legal
19 actions." See Bell Atlantic Order, at ¶435.

20

21 Q. BASED ON THE SHEER NUMBER OF MEASUREMENTS
22 PROPOSED UNDER THE CLEC ENFORCEMENT PLAN AND THE
23 FACT THAT MS. BURSH IS ASKING THE AUTHORITY TO
24 ELIMINATE AN ABSOLUTE CAP, CAN YOU SHOW THE IMPACT OF
25 ADOPTING SUCH A PROPOSAL?

1

2 A. Certainly. Whenever any proposal is implemented, there are always
3 some aspects of the proposal that are inappropriate for the intended
4 purpose. For example, certain measurements in the enforcement plan
5 may not reflect an appropriate match between the customer experience
6 being measured and the benchmark that is associated with that
7 measurement. Also, simply due to random variation, each month some
8 standards will not be met for some of the measurements.

9

10 If we consider the CLEC Tier 1 penalty plan containing 400,000 sub-
11 metrics potentially incurring penalties each month, suppose that only
12 1% of the measurements are missed each month. Given that there
13 are 400,000 sub-metrics, 1% of this would be 4000 sub-metrics
14 missed. Under the CLEC plan the smallest penalty is \$2500 per
15 measurement missed. This would mean that even if BellSouth met the
16 standard for 99% of the measurements, the required penalty for that
17 month would be $4000 \times \$2500 = \$10,000,000$. Therefore, under the
18 CLECs' plan, BellSouth would pay 10 Million dollars under Tier 1 for the
19 smallest out of parity condition possible.

20

21 Now, suppose that because there is a problem with the way these
22 measurements are structured, the misses are deemed severe parity
23 failures. This would mean that missing 1% of the measurements would
24 result in BellSouth paying $4000 \times \$25,000 = \$100,000,000$ in a single

25

1 month, despite the fact that BellSouth made the benchmark for 99% of
2 the measurements.

3

4 Going even further, the CLECs propose an additional \$25,000 penalty
5 for what they refer to as “chronic” performance failures. Given our
6 premise that some measures may simply be inappropriate, this would
7 certainly suggest that the measures would be missed for multiple
8 months, specifically three months, which would trigger this additional
9 penalty. So now we have an additional penalty of $4000 \times \$25,000 =$
10 $\$100,000,000$. At this point, the total Tier 1 amount is the \$100 Million
11 noted above plus \$100 Million for “chronic” performance failures, or a
12 total of \$200 Million under the CLECs’ Tier 1 plan.

13

14 But, it does not end there. There are Tier 2 consequences to consider.
15 Assuming the measurements are so structured so as to cause the
16 same severe failures on the same 1% of the measurements at the
17 industry level, Tier 2 is then invoked. As I mentioned previously, Tier 2
18 is simply a duplication of Tier 1, though without the additional chronic
19 failure penalty. But, under the CLECs’ plan, Tier 2 is subjected to a
20 market penetration multiplier that, in Tennessee, is 6. Therefore, Tier 2
21 penalty is the \$100 Million calculated above, times 6, or a total of \$600
22 Million. The grand total for Tiers 1 and 2 under the CLECs’ plan is
23 \$800M for missing 1% of the measurements proposed by the CLECs.

24

25

1 The bottom-line is that BellSouth, under this scenario, would end up
2 paying \$800 Million in a single month where it is meeting 99 percent of
3 the measurements. This is a result of the construction of the plan the
4 CLECs propose and not because of poor performance on BellSouth's
5 part. Yet, Ms. Bursh proposes not only that the Authority should adopt
6 this CLEC penalty plan, but also that it should not adopt an absolute
7 cap on penalty payments.

8

9 Q: YOU HAVE DISCUSSED SCENARIOS OF MONTHLY PENALTY
10 PAYMENTS RANGING FROM \$10 MILLION FOR A SMALL OUT OF
11 PARITY CONDITION ON 1% OF THE PROPOSED MEASUREMENTS
12 – UP TO \$800 MILLION FOR A SEVERE OUT OF PARITY
13 INDICATION ON 1% OF THE PROPOSED MEASUREMENTS. IN
14 ORDER TO ASSIST THE AUTHORITY IN EVALUATING THE CLEC'S
15 PENALTY PROPOSAL, PLEASE PROVIDE A FRAME OF
16 REFERENCE.

17

18 A. To put these phenomenal amounts into perspective, in the year 2000,
19 BellSouth total intrastate and interstate net revenue for Tennessee was
20 \$410M or an average of \$34M per month. (This amount was derived
21 from the 2000 ARMIS report, using the same methodology used by
22 Verizon and SBC in their 271 applications, which were approved by the
23 FCC.)

24

25

1 So, to put the CLECs' proposal into simple terms, if BellSouth has a
2 slight out of parity indication on 1% of the CLECs' 400,000
3 measurements, the monthly penalty would be 10M / 34M, or 29% of net
4 revenue. In other words, BellSouth would be assessed a huge penalty
5 for a slight miss on a small fraction of the measurements.

6
7 Continuing on, if the out of parity condition is a so called "severe"
8 indication on this same 1% of the CLEC's proposed measurements, the
9 monthly penalty would be 800M / 34M or 2353% of the net revenue.
10 The potential financial impact of this plan on BellSouth's ability to
11 provide service in Tennessee cannot be overemphasized.

12

13

14 Q. HOW WOULD YOU CHARACTERIZE THE PENALTY PLAN
15 PROPOSED BY MS. BURSH?

16

17 A. It is easier to say how I would not characterize it. I would not
18 characterize the Tier 1 penalty payments, made to individual CLECs,
19 as liquidated damages. There is no possible way to view payments of
20 the magnitude that I have just discussed as a reasonable attempt to set
21 damages based on actual harm done. Such payments, by any
22 reasonable account, are punitive in nature and not compensatory.
23 Further, the combination of these Tier 1 payments with Tier 2 payments
24 go so far beyond the FCC defined purpose of deterring backsliding that
25 it defies any plausible basis for claiming otherwise.

1

2 FURTHER PENALTIES PROPOSED BY MS. BURSH

3

4 Q. SHOULD BELLSOUTH BE PENALIZED WHEN BELLSOUTH FAILS
5 TO POST THE PERFORMANCE DATA AND REPORTS TO THE
6 WEB SITE BY THE DUE DATE, AS SUGGESTED BY MS. BURSH
7 ON PAGE 20?

8

9 A. No. BellSouth should not be subjected to an automatic penalty for the
10 late posting of reports. While BellSouth will make every reasonable
11 effort to make every deadline imposed upon it, with the volume of data
12 and reports that I discussed above, it would be foolish to assume that
13 there will never be a problem posting a report. However, there is little
14 evidence that late reporting is harmful to the CLECs or to the Authority.
15 Furthermore, the increasing complexity of the measurements and sub-
16 metrics, the volume of data processed and the validation of reports
17 prior to posting imposes additional burdens on BellSouth that should
18 not be subjected to a penalty. Although BellSouth will make every
19 effort to complete this substantial undertaking by the due date each
20 month, BellSouth should not be automatically penalized if it sometimes
21 fails in this effort. Certainly, if there were some systemic failure in
22 posting reports, there could be some need for TRA overview until the
23 problem is resolved. However, missing a posting date by a day or two
24 should not be cause for concern.

25

1 Q. IF THE AUTHORITY DECIDES TO IMPOSE A PENALTY FOR
2 POSTING RESULTS LATE, WHAT WOULD BE AN APPROPRIATE
3 PENALTY AMOUNT?
4

5 A. BellSouth would expect that its comments regarding the posting of
6 reports mentioned above would put this issue in proper perspective and
7 obviate the need for any penalty for simply missing a posting date.
8 However, if the Authority does decide to impose a penalty on BellSouth
9 for failure to post the performance data and reports to the web site by
10 the due date, then an amount of \$2,000 per day, paid to the Tennessee
11 Regulatory Authority is acceptable to BellSouth, provided that the
12 \$2,000 per day applies to the aggregate of all reports and is not based
13 on each individual report. I must reiterate, however, that I do not
14 believe the CLECs are monetarily harmed because reports are posted
15 late, nor should the Authority be concerned, provided the late posting
16 was not evidence of a systemic failure. This is apparent given that this
17 data is available for every CLEC certificated in the BellSouth region but
18 very few CLECs choose to even access this data.
19

20 Q. SHOULD BELLSOUTH BE PENALIZED IF PERFORMANCE DATA
21 AND REPORTS PUBLISHED ON THE BELLSOUTH WEB SITE ARE
22 INCOMPLETE OR INACCURATE, AS SUGGESTED BY MS. BURSH
23 ALSO ON PAGE 20?
24
25

1 A. No. As I discussed above, BellSouth should not be subjected to
2 involuntary, automatic penalties for incomplete or inaccurate reports.
3 The definitions of 'incomplete' or 'inaccurate' are so imprecise that
4 there would likely be an ongoing administrative burden each month to
5 determine what is incomplete or inaccurate. As a precedent for
6 incomplete or inaccurate performance measurement reporting, it is
7 instructional to consider some principles governing accounting.
8 Accounting principles have long recognized that financial statements
9 are prone to adjustment and correction. There are procedures for
10 handling adjustments, but to my knowledge, none contain an automatic
11 dollar penalty. From a performance measurement reporting viewpoint,
12 the primary objective should be to provide complete and accurate
13 reporting, identify omissions and errors should they occur, and correct
14 them expeditiously. Applying a penalty, once an error has been
15 corrected or a report has been completed would seem to discourage
16 such corrections, even if they were appropriate.

17

18 Q. IF PENALTIES ARE TO BE APPLIED FOR INACCURATE REPORTS,
19 WHAT WOULD BE AN APPROPRIATE PENALTY AMOUNT?

20

21 A. If the Authority can impose a penalty on BellSouth for incomplete or
22 inaccurate reports posted to the web site, then an amount of \$400 per
23 day, paid to the Tennessee Regulatory Authority, is acceptable to
24 BellSouth, provided that the \$400 per day applies to the aggregate of
25 all reports and not each incomplete or inaccurate report incrementally.

1 As stated above, I do not believe the CLECs are monetarily harmed
2 because portions of the reports are incomplete or inaccurate.

3

4 Q. MS. KINARD PRIMARILY ADDRESSES THE ISSUE OF
5 PERFORMANCE MEASUREMENTS IN HER TESTIMONY, BUT
6 BEFORE TURNING TO MS. KINARD'S TESTIMONY, HOW WOULD
7 YOU ADDRESS MS. BURSH'S STATEMENT ON PAGE 12 OF HER
8 TESTIMONY THAT "THERE ARE ANALYTICAL PROCEDURES THAT
9 ALLOW FACTUAL CONCLUSIONS TO BE MADE REGARDING HOW
10 MUCH DISAGGREGATION IS SUFFICIENT?"

11

12 A. To my knowledge, CLECs have never provided any such procedures.
13 Certainly none are present in their testimony. Nor am I aware of any
14 such procedures. In fact, the degree of disaggregation is a judgment
15 that balances the desire to view specific types of performance with the
16 need to keep the size of the plan manageable.

17

18 **III. PERFORMANCE MEASUREMENTS**

19

20 GENERAL REBUTTAL TO MS. KINARD'S DIRECT TESTIMONY

21

22 Q. HOW WOULD YOU RESPOND TO MS. KINARD'S COMMENT, ON
23 PAGE 8 OF HER TESTIMONY, THAT BELL SOUTH ATTEMPTED A
24 "PROCEDURAL END RUN" AROUND A STRONG DECISION

25

1 SUPPORTING PERFORMANCE MEASURES BY ASKING FOR A
2 GENERIC PROCEEDING?

3
4 A. Ms. Kinard apparently sees something sinister in BellSouth's
5 preference, referring to it as a procedural end run. She suggests that
6 BellSouth was seeking to avoid granting relief to petitioning CLECs in
7 the context of their arbitrations. What she fails to mention is that
8 BellSouth reached settlement with ITC^DeltaCom and Intermedia
9 Communications, Inc.

10
11 It is especially ironic that Ms. Kinard would accuse BellSouth of
12 attempting a procedural end run to avoid the Authority's decision in the
13 "context of particular arbitrations" given her approach to the Authority's
14 decision. While purporting to build on the Authority's decisions in
15 Docket No. 99-00430, Ms. Kinard disagrees with the disaggregation
16 that the Authority adopted, disagrees with the definitions and business
17 rules adopted by the Authority and interjects unnecessary issues into
18 this proceeding such as mini-audits and affiliate reporting.

19
20 Further, while supporting the Texas measurements adopted by the
21 Authority, she proposes additional measures adopted by the Georgia
22 Public Service Commission and the CLEC plan measures that have
23 been rejected by other state commissions. Notwithstanding her
24 proposal to adopt the Georgia compliance filing as the starting point for
25 this proceeding, she goes on to attack the decisions reached in the

1 Georgia proceeding, specifically with respect to business rules,
2 disaggregation levels and benchmarks. So, although many of the
3 issues that she now raises in Tennessee have been addressed and
4 rejected in other states, she again exclaims their virtue in this
5 proceeding. It is pretty clear who is attempting an end run.

6

7 Q. HOW WOULD YOU ADDRESS MS. KINARD'S COMMENT ON PAGE
8 17 OF HER TESTIMONY THAT THE GEORGIA COMPLIANCE
9 FILING SHOULD BE THE STARTING POINT FOR THIS
10 PROCEEDING?

11

12 A. Ms. Kinard seems to be asking this Authority to simply incorporate
13 measures adopted in other jurisdictions in addition to the nineteen
14 measurements from the Texas Plan adopted in the ITC^DeltaCom
15 ("DeltaCom") arbitration. This suggestion ignores the fact that there is
16 duplication between many of the measurements adopted in the TRA's
17 DeltaCom decision and those adopted in the Georgia filing. Ms.
18 Kinard's apparent approach is to recommend as many measurements
19 that have been proposed in as many jurisdictions as possible. The
20 purpose becomes quite obvious when one recognizes that Ms. Kinard
21 and Ms. Bursh favor a per-measure penalty plan.

22

23 The primary goal of performance measurements, as I have previously
24 testified, is to provide this Authority with sufficient measurements to
25 determine that BellSouth is providing nondiscriminatory treatment to

1 CLECs. BellSouth's Service Quality Measurements (SQMs) satisfy this
2 goal.

3

4 Q. ON PAGE 10 BEGINNING AT LINE 22 OF HER TESTIMONY, MS.
5 KINARD ALLEGES THAT "MEASUREMENTS SHOULD COVER ALL
6 PROBLEMS THAT CAN AND HAVE ARISEN THROUGH REAL
7 MARKET EXPERIENCE." HOW DO YOU RESPOND?

8

9 A. Ms. Kinard grossly overstates the role of performance measurements.
10 Nonetheless, if this truly were all the CLECs wanted, they should have
11 no objections to BellSouth's proposal. Our sub-metrics do just that.
12 The difference between their plan and ours is the granularity. The
13 CLECs want to measure each step in the process, whether they need
14 to or not, and break down each measurement far more finely than
15 necessary. Also, the facts belie her claim that they are only interested
16 in addressing problem areas.

17

18 From the data presently being reported to the Authority, nearly one-
19 third of the existing sub-measures had no data at the CLEC Aggregate
20 level. (See Direct Testimony of David Coon, Docket No. 97-00309,
21 Exhibit DAC-3, Attachment 1, filed July 30, 2001). This means no
22 CLEC in the state has activity in 1/3 of the processes, products and
23 functions that BellSouth is already reporting to the Authority. Yet,
24 amazingly, despite this current lack of activity, the CLECs continue to
25 want even more measurements and sub-metrics.

1

2 SPECIFIC PERFORMANCE MEASUREMENTS

3

4 Q. LET'S TURN TO SPECIFIC ADDITIONAL MEASURES THAT MS.
5 KINARD EVIDENTLY WANTS INCLUDED, BEGINNING ON PAGE 14
6 OF HER TESTIMONY. CAN YOU ADDRESS THESE ADDITIONAL
7 MEASURES?

8

9 A. Yes. Beginning on page 14, Ms. Kinard lists 35 measurements that the
10 CLECs claim should be added to the BellSouth SQM. In fact,
11 BellSouth's proposed SQM includes 15 of the measurements proposed
12 by Ms. Kinard. These measurements are listed below:

- 13 1. O-1: Acknowledgement Message Timeliness
- 14 2. O-2: Acknowledgement Message Completeness
- 15 3. O-11: Firm Order Confirmation and Reject Response Completeness
- 16 4. P-6B: Average Recovery Time
- 17 5. P-7: Cooperative Acceptance Testing - % of xDSL Loops Tested
- 18 6. B-5: Usage Data Delivery Timeliness
- 19 7. M&R-7: Mean Time to Notify CLEC of Network Outages
- 20 8. D-1: Average Database Update Interval
- 21 9. D-2: Percent Database Update Accuracy
- 22 10. CM-5: Notification of CLEC Interface Outages
- 23 11. CM-1: Timeliness of Change Management Notices
- 24 12. CM-2: Change Management Notice Average Delay Days
- 25 13. CM-3: Timeliness of Documents Associated with Change

1 14. CM-4: Change Management Documentation Average

2 15. Service Order Accuracy

3 BellSouth is planning to provide a measurement of "Service
4 Order Accuracy" – similar to the measurement in Georgia. This
5 measurement will include orders submitted via mechanized and
6 non-mechanized processes. Since the ordering systems are
7 regional and since the LCSC employees who process LSRs are
8 also regional, this measurement will be based on a statistically
9 valid sampling of service orders submitted throughout the region.
10 Exhibit DAC-R3 describes this proposed measurement.

11

12 However, for the remaining measures proposed by the CLECs,
13 BellSouth simply disagrees that they should be included among the
14 performance measurements. In some instances, BellSouth disagrees
15 because the metric suggested by Ms. Kinard measures a process that
16 BellSouth's existing measures already touch upon. In other cases, the
17 proposed measurement is simply inappropriate or unnecessary.

18

19 On the following several pages of my testimony, I will discuss the 20
20 measurements proposed by Ms. Kinard that BellSouth believes should
21 not be included.

22

23 1. Mean Time to Provide Response to Request for BellSouth-to-
24 CLEC Trunks

25

1 2. Percent Responses to Request for BellSouth-to-CLEC Trunks
2 Provided within 7 Days

3 3. Percent Negative Responses to Requests for BellSouth-to-
4 CLEC Trunks

5 These measurements are unnecessary. The real intent of these
6 measurements is to evaluate potential reasons for trunk blocking,
7 should it occur. BellSouth's proposed SQM has two measurements for
8 trunk blocking, TGP-1 and TGP-2, that adequately address trunk
9 blocking and capture whether BellSouth provides sufficient trunks.

10

11 The primary focus of these proposed measurements appears to be to
12 determine whether there is sufficient trunking capacity from the
13 BellSouth network to the CLEC switch when traffic is increased
14 substantially, such as might occur when an Internet Service Provider is
15 switched to the CLEC. Each of these measurements purports to
16 measure responses to requests made by the CLECs for trunking.
17 Since BellSouth has no way of knowing when this increased demand is
18 going to occur, it hardly seems reasonable to have a measurement
19 related to BellSouth's success in meeting an unanticipated demand
20 that CLECs fail to forecast. The solution is not to have another set of
21 measurements, but to require an accurate forecast by the CLEC of
22 traffic requirements – well before the CLEC begins to serve the Internet
23 Service Provider.

24

25

1 In connection with these proposed measurements, Ms. Kinard
2 discusses requiring trunking relief levels at 50%. To propose that
3 BellSouth build a trunking arrangement that would provide every CLEC
4 with 50% spare capacity in the trunk group is not efficient for BellSouth
5 and the CLECs, nor is it in the best interests of the Tennessee
6 customer. This additional level of capacity carries a substantial cost.
7 Naturally, CLECs have not proposed to pay that cost. At 50% spare
8 capacity, twice as many terminations and facilities would be occupied
9 as would actually be utilized. This means that there will be instances
10 when additional trunks that are really needed can't be provided
11 because there are no spare facilities. Moreover, this issue has nothing
12 to do with performance measurements or enforcement. No
13 measurement is proposed to address it. This is an operational issue
14 that does not belong in a performance measurements proceeding.

15

16 4. Percent Completions/Attempts without Notice or with Less Than
17 24 Hours Notice

18 This measure is not necessary because it would duplicate areas of
19 performance already addressed in BellSouth's provisioning
20 measurements that deal with order completion, intervals, held orders
21 and completion notices. The proposed measurement would capture a
22 piece-part of those measures already in place, specifically, Firm Order
23 Confirmation Interval, Order Completion Interval, Total Service Order
24 Cycle Time, and Percent Missed Installation Appointments, and thus
25 would add complexity without adding meaning or substance.

1
2 Moreover, this measure, as proposed by the CLECs, is overly broad.
3 The only exclusion the CLECs propose for this measure is that it
4 applies only to completions or attempts that the CLECs “specifically
5 requested.” What this means is that if a CLEC requests a due date of
6 36 hours for an order and the FOC is delivered to the CLEC 23 hours
7 prior to the due date, the entire transaction would be listed as a miss,
8 because a 24-hour notification is impossible, even though BellSouth
9 provided the service exactly as the CLEC requested. Such a broad
10 measure is hardly a fair or meaningful assessment of BellSouth’s
11 performance.

12
13 On page 24 of her Direct Testimony, Ms. Kinard notes a personal
14 attachment to this measurement as it was added in 1998 in response to
15 a request from MCI service representatives. I would note that a lot has
16 happened in the three years since Ms. Kinard proposed this
17 measurement. As an example, in 1998 there were no benchmarks or
18 commission approved standards for ordering and provisioning
19 measurements. Specifically, there was not a measurement standard
20 for the Firm Order Confirmation Timeliness interval. In this proceeding
21 I am proposing that the standard be from 3 hours, if the LSR is
22 submitted and processed electronically, to 36 hours if the LSR is
23 submitted and processed manually. (See my Direct Testimony, Exhibit
24 DAC-1, page 2-24) If these intervals are not met, the failure will be
25 captured by the FOC measurement.

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5. Percent On-Time Hot Cut Performance

BellSouth has proposed measurements that address this area directly in P-6: Coordinated Customer Conversion Interval, and P-6A: Coordinated Customer Conversions – Hot Cut Timeliness % Within Interval and Average Interval.

I would further note that BellSouth’s objective for the conversion interval is 95% in 15 minutes for each loop converted. This objective is considerably more aggressive than that proposed by Ms. Kinard on Page 5, of Exhibit KK-C, attached to her Direct Testimony. Ms. Kinard’s proposed benchmark is 95% within 1 hour for 1 to 10 lines. While that is what Ms. Kinard’s exhibit clearly states, I seriously doubt that the CLECs would be satisfied with an interval of 60 minutes to convert a customer’s single-line service.

6. Percent of Orders Cancelled or Supplemented at the Request of the ILEC

Our focus is on complying with meeting the due date on the original order, not asking the CLEC to supplement or cancel the order. Ms. Kinard seems to suggest that BellSouth will ask a CLEC to supplement or cancel an order just so that a due date won’t be missed. It is not obvious what would be ascertained from this particular measurement, since the CLEC is not obligated to cancel or supplement an order. Further, no new measurement is needed if this actually is a problem.

1 The CLEC can simply refuse to cancel or supplement the order and the
2 existing provisioning measurements (i.e. Percent Missed Installation
3 Appointments and Order Completion Interval, to name two) will capture
4 any delays caused by BellSouth. Also, this measurement would not
5 reflect the reason for the cancellation or supplement. Because a CLEC
6 can elect to cancel an order of its own volition, this measurement
7 provides no useful information for assessing BellSouth performance.

8

9 7. Percent of Coordinated Cuts Not Working as Initially Provisioned

10 This measurement is duplicative. BellSouth's SQM has a "hot cut"
11 measurement to address this issue. That measurement is "%
12 Provisioning Troubles within 7 Days of a Completed Service Order",
13 measurement P-6C in the Proposed SQM. A CLEC can report a
14 trouble as soon as the service order is completed. In most instances,
15 services that do not work should be identified and resolved during the
16 cutover process before the order is completed in the system. If it is not,
17 it is captured in the measurement that BellSouth has already proposed.
18 Thus, the measurement proposed by the CLECs is simply a duplication
19 of what is already available.

20

21 8. Average Recovery Time

22 BellSouth has proposed a measurement that addresses this area
23 directly in P-6C: Hot Cut Conversions – Average Recovery Time.

24

25 9. Mean Time to Restore a Customer to the ILEC

1 10. Percent of Customers Restored to the ILEC

2 These proposed measures relate to customers who were going to be
3 switched to a CLEC but who were not switched because of a problem
4 in the porting process. These measures would record the time that
5 lapses before the customer is returned to service with BellSouth and
6 the percent of customers that are returned. It is impossible to draw any
7 meaningful conclusions from these two measurements. BellSouth
8 already provides a measurement, P-7B, Average Recovery Time, that
9 is the similar to Ms. Kinard's Mean Time to Restore a Customer to the
10 ILEC.

11

12 The next measure, Percent of Customers Restored to the ILEC,
13 provides a clear opportunity for the CLECs to generate revenue
14 through penalty payments even though BellSouth performed perfectly.
15 Percent of Customers Restored to the ILEC is not defined by Ms.
16 Kinard in Exhibit KK-C attached to her Direct Testimony. However,
17 assuming it is the same metric Ms. Kinard has proposed in other
18 jurisdictions, there are several problems with this measurement. The
19 porting of the customer may fail because of something the CLEC does
20 or fails to do. The CLEC is in complete control of determining when a
21 problem exists in the CLEC's network that requires their end user to be
22 restored back to BellSouth. Since the benchmark is that less than 1
23 tenth of one percent be restored, all the CLEC needs to do is simply
24 state that their network is faulty on a single cutover in a thousand, and

25

1 the CLEC is guaranteed a payment from BellSouth, even though
2 BellSouth had absolutely nothing to do with the alleged problem.

3

4 To the extent that these measurements were intended to quantify
5 problems in the “hot cut” process, BellSouth already has numerous
6 measures that relate to hot cuts. Examples of these include %
7 Provisioning Troubles, Customer Trouble Report Rate, % Missed
8 Installation Appointments, Coordinated Customer Conversion, Average
9 Order Completion Interval and Maintenance Average Duration.

10

11 11. Call Abandonment Rate – Ordering and Provisioning

12 12. Call Abandonment Rate – Maintenance

13 BellSouth’s measurements, Speed of Answering in the Ordering Center
14 and Average Answer Time – Repair Center, already capture
15 abandoned calls. BellSouth’s measurements include the time in queue
16 for abandoned calls in the numerator but exclude the abandoned calls
17 from the denominator. Thus, abandoned calls inflate these
18 measurements to BellSouth’s detriment.

19

20 Ms. Kinard’s assertion that there is a need for an abandonment
21 measurement to capture where the CLEC gives up in frustration is
22 incorrect. As the previous discussion illustrates, such situations, if they
23 occur, are already captured in BellSouth’s measurements.

24

25

1 Additionally, BellSouth would have absolutely no way of knowing why a
2 call was abandoned. It could be a wrong number, a customer hanging
3 up to take another call, or simply a customer deciding to wait until later.
4 To assume that all abandoned calls are CLECs who give up in
5 frustration, as Ms. Kinard suggests, is ludicrous and would be very
6 misleading.

7
8 As with many of the measurements proposed by the CLECs, these two
9 provide significant financial opportunities for the CLECs. Both of these
10 measurements are included in Exhibit KK-C. The calculation for both
11 of these measurements is basically Calls Abandoned before answer
12 divided by the Total Calls. An abandoned call is nothing more than the
13 calling party hanging up the phone before it is answered. Both of these
14 measurements have as a benchmark "< 1% of calls abandoned from
15 queue." There are no exclusions. A CLEC could generate significant
16 penalty payments simply by making several calls to BellSouth's
17 ordering and maintenance centers and hanging up before the call was
18 answered. While the CLECs attempt to justify the need for these
19 duplicative measurements as necessary to monitor compliance with the
20 Telecom Act, in the final analysis, it is all about money.

21

22 13. Percent Successful xDSL Service Testing

23 This measurement is similar to BellSouth's Proposed SQM
24 measurement, P-8, Cooperative Acceptance Testing.

25

1 14. (disaggregation or new metric) – Percent Completion of Timely
2 Loop Modification/Conditioning on xDSL Loops

3 BellSouth has DSL-level disaggregation in its Proposed SQM. This
4 measurement addresses issues already measured by BellSouth's
5 provisioning measurements, such as order completion interval and
6 percent missed installation appointments. Consequently, it is
7 unnecessary.

8

9 15. Percent Billing Errors Correct in X Days

10 BellSouth currently provides measurements that address this issue.
11 They are B-1, Invoice Accuracy and B-2, Mean Time to Deliver
12 Invoices. In addition to these measurements, BellSouth's Billing
13 Verification Group conducts monthly audits wherein samples of bills are
14 evaluated to check accuracy, completeness, etc. BellSouth believes
15 that these measures provide adequate information to assess
16 BellSouth's billing processes.

17

18 16. Percent Response Commitments Met On Time

19 Evidently this proposed metric is intended to measure the time between
20 when a question is posed to a BellSouth "help desk" and when the
21 answer is received by the CLEC. On page 18 of her testimony, Ms.
22 Kinard alleges "CLECs should not have to wait days for BellSouth to
23 respond to a problem that has totally stalled production of orders for the
24 CLEC." Her claim is overly dramatic. Each CLEC has an account
25 manager that provides individual attention. In the unlikely event the

1 situation that she described occurs, the account manager, not a “help
2 desk”, would be utilized. Also, the presumption here is that BellSouth
3 causes all of the problems. Experience shows that this presumption is
4 unwarranted.

5
6 Further, the proposed measurement does not account for requests that
7 BellSouth is not obligated to fulfill. As an example, the CLECs may
8 properly be concerned about the time BellSouth takes to respond to a
9 question, if BellSouth has been unclear about something. However,
10 this particular measure does not distinguish between lack of clarity by
11 BellSouth and the failure of the CLEC to use documentation previously
12 provided by BellSouth. Finally, this measurement depends on a
13 completely manual process of tracking the responsiveness of BellSouth
14 service representatives. Who would record when the question was
15 asked? How would disputes about what the question was, or when it
16 was asked and answered be resolved? This issue would be better
17 worked through contract negotiations on an individual basis rather than
18 by attempting to develop measures applicable to all CLECs.

19
20 17. Percent ILEC vs. CLEC Changes Made

21 As with other measurements proposed by Ms. Kinard, there is no
22 definition or other specifics of the measurement in her testimony. It is
23 not included in her Exhibit KK-C. However, Ms. Kinard has proposed
24 this measurement to other Commissions – where it has been
25

1 summarily rejected. I will base my comments on this measurement on
2 the definition provided by Ms. Kinard in other jurisdictions.

3

4 This proposed measurement relates the number of BellSouth versus
5 CLEC proposed and accepted changes to the Change Control Process
6 as a percentage of the total changes accepted. It essentially compares
7 the percentage of the total changes due to BellSouth to the percentage
8 of total changes due to the CLECs. The standard of comparison is
9 parity. In other words if BellSouth proposes a change, the CLECs get
10 to propose a change. The converse is apparently true as well. This
11 measurement simply creates a 'change contest' where both sides can
12 make changes, apparently without regard to the merits of the change.
13 Absolutely no useful information can be obtained through this
14 measurement. The change control process has a method of escalating
15 any disputes about whether a proposed change was properly rejected.
16 This measurement would tell nothing about the relative merits or
17 shortcomings of any proposal. Suppose the CLECs submitted a
18 number of change requests that are technically infeasible to
19 accomplish. This measurement would show a low percentage of CLEC
20 requests implemented, but no problem is indicated. The purpose of
21 change management is to work together as a team and prioritize the
22 requirements for the good of all participants. With that in mind,
23 measuring anything other than the process is unnecessary and would
24 likely be counterproductive. CLECs would be incented to make
25 frivolous requests if this measure were adopted. The BellSouth

1 measurements included with this filing are results-focused and are the
2 only ones necessary to provide a parity comparison of the change
3 management process.

4
5 18. Percent Software Certification Failures

6 19. Software Problem Resolution Timeliness

7 20. Software Problem Resolution Average Delay Days

8 The testing arrangements BellSouth makes available with any software
9 update are adequate to resolve these issues before the software is
10 loaded. Further, the change management process is more suitable to
11 establish methods and procedures for software updates. Participating
12 in that process would eliminate the need for these proposed measures.

13

14 Q. MS KINARD WANTS THE AUTHORITY TO ADOPT THE SQM THAT
15 BELL SOUTH ISSUED IN COMPLIANCE WITH THE GEORGIA
16 COMMISSION ORDER AS THE STARTING POINT FOR THIS
17 PROCEEDING. IN ADDITION, SHE WANTS THE AUTHORITY TO
18 REQUIRE MEASURES ADOPTED IN THE DELTACOM
19 ARBITRATION THAT WERE NOT INCLUDED IN THE GEORGIA
20 ORDER. WHAT IS YOUR RESPONSE TO THIS SUGGESTION?

21

22 A. This is simply an attempt by Ms. Kinard to pad the performance
23 measurements plan with a multitude of duplicative and unnecessary
24 measurements. Both the Georgia Public Service Commission (GPSC)
25 and the Tennessee Regulatory Authority had proceedings to address

1 regulatory concerns and the concerns of the CLECs in the state. In
2 addressing essentially the same concerns, different metrics resulted in
3 Georgia and Tennessee that measure the same CLEC experience.
4 Therefore, taking the results of the GPSC deliberations and the results
5 of the TRA deliberations and simply lumping the two together is an ill-
6 conceived approach to take in determining the proper performance
7 measurements in this proceeding.

8

9 Q. STARTING ON PAGE 15 OF HER TESTIMONY, MS. KINARD
10 IDENTIFIED SEVEN MEASUREMENTS ADOPTED IN THE
11 DELTACOM ARBITRATION THAT SHE PROPOSES THE
12 AUTHORITY MAKE A PART OF THE PERMANENT
13 MEASUREMENTS IN TENNESSEE. ARE THESE ADDITIONAL
14 MEASUREMENTS REQUIRED?

15

16 A. No. As already mentioned, this would result in the duplication of
17 measurements. Ms. Kinard proposes that the Authority make the
18 following measurements part of the permanent measurements in
19 Tennessee: Average Delay Days for NXX Loading, Average Time to
20 Repair NXX Loading Errors, Percentage of Time the Old Service
21 Provider Releases the Subscription Prior to Expiration of the Second
22 Nine-Hour (T2) Timer, Percentage of Missed Mechanized INP
23 Conversions, Percent Busy in LOC, Percent Busy in LSC, and
24 Percentage of Customer Accounts Restructured Prior to LNP Due
25 Date. In my Direct Testimony, I provided reasons why these

1 measurements are not necessary. For convenience in this testimony, I
2 will repeat my comments in Direct Testimony on these seven
3 measurements below.

4
5 1. Average Delay Days for NXX Loading and Testing

6 This measurement is duplicative. Here is another example of a
7 proposed Texas measurement that is essentially addressed by a
8 BellSouth SQM. BellSouth's SQM, "Percent NXXs and LRNs Loaded
9 by the LERG Effective Date" reflects BellSouth's performance in
10 meeting the critical requirement, i.e., the LERG effective date.
11 BellSouth measures the process which includes the loading and testing
12 of NXXs. The benchmark for this measure is 100% completed by the
13 LERG effective date. This means that if this benchmark is achieved,
14 there are no delay days. If the benchmark is not met, this
15 measurement will detect it. Adding the "Average Delay Days for NXX
16 Loading and Testing" would simply detect the same failure. Thus there
17 is little value in adding this measurement, as it would result in the
18 detection of the same failure detected by missing the 100% benchmark
19 for Percent NXX and LRN Loaded by LERG Effective Date.

20

21 2. Mean Time To Repair NXX Trouble Reports

22 As discussed in my Direct Testimony in this proceeding, this
23 measurement is unnecessary. The measurement simply calculates the
24 mean time of repair of NXX trouble reports from the receipt of the
25 customer trouble report to the time the trouble report is cleared.

1 Troubles related to NXXs are included in BellSouth's Maintenance
2 Average Duration measurement. Thus there is no need to implement
3 the above metric. Ms. Kinard, in fact, suggests that it can be a
4 disaggregation of an existing measurement rather a separate
5 measurement. However, this metric would represent such a small
6 portion of a measure such as Maintenance Average Duration that even
7 a separate disaggregation would be unnecessary. Consistent with
8 BellSouth's position here, Texas recently eliminated this measurement.

9

10 3. Percentage of Time the Old Service Provider Releases the
11 Subscription Prior to the Expiration of the Second Nine Hour (T2) Timer

12 4. Percentage of Time Customer Account Restructured Prior to
13 LNP Due Date

14 These measurements provide another example of measuring the same
15 process two different ways. The intent of these measurements is to be
16 sure the ILEC performs certain administrative activities prior to a
17 number port. These administrative activities include the release of a
18 "subscription" to the Number Portability Administration Center (NPAC)
19 and issuing a trigger order where required. BellSouth measures this
20 with "LNP-Average time BellSouth Applies the 10-digit trigger Prior to
21 the LNP Order Due Date." With BellSouth's procedures, the release of
22 the Subscription to NPAC and the issuance of the Trigger result from
23 the same process. Therefore the BellSouth measurement LNP-
24 Average time BellSouth Applies the 10-digit trigger Prior to the LNP
25 Order Due Date is a substitute for the Texas measurement.

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5. Percentage of Missed Mechanized INP Conversions

This measurement will be of limited utility in the very near future. Gathering performance data on Interim Number Portability conversions is of little value because Interim Number Portability has been replaced with LNP in nearly all areas of Tennessee where the CLECs have customers. Ms. Kinard even recognizes this and states on page 16 of her testimony: “[o]nly the ILNP conversion metric may not be necessary at this point, depending on the status of LNP implementation in the state, which is likely nearly complete at this point.” At present, BellSouth has implemented LNP in 177 of the 201 wire centers in the State. The 24 wire centers where LNP has not been deployed are primarily in rural areas. These 24 wire centers serve less than 5% of BellSouth’s access lines in the State. By the end of October, all of the remaining offices are scheduled to convert to LNP.

There is no reason to develop a measurement for a process that will simply go away this year. In fact, Texas recently eliminated this measurement and the Authority should do so as well.

6. Percent Busy in LOC

1 The TRA has considered this measurement and found it to be
2 “duplicative and/or unnecessary”⁴ and vacated the previous ruling
3 requiring it.

4
5 7. Percent Busy in LSC

6 The TRA has considered this measurement and found it to be
7 “duplicative and/or unnecessary” and vacated the previous ruling
8 requiring it (*Order on Reconsideration and Denying Joint Motion*, see
9 footnote 4).

10

11 Q. ARE THERE ANY MEASUREMENTS ADOPTED IN THE DELTACOM
12 ARBITRATION THAT MS. KINARD HAS NOT IDENTIFIED AS
13 MEASUREMENTS THAT THE CLECS ARE REQUESTING?

14

15 A. Yes. There are eight measurements adopted from the Texas Plan in
16 the DeltaCom arbitration that Ms. Kinard has not proposed in this
17 proceeding. These measurements are listed below:

- 18 • Percent of Accurate and Complete Formatted Mechanized Bills
19 (Texas No. 15)
- 20 • Billing Completeness (Texas No. 17)
- 21 • Unbillable Usage (Texas No. 20)

22

23

24 ⁴ Before the Tennessee Regulatory Authority, In RE: Petition For Arbitration of ITC^DeltaCom
25 Communications, Inc. With BellSouth Telecommunications, Inc. Pursuant To The
Telecommunications Act of 1996, Order On Reconsideration And Denying Joint Motion,
Docket No. 99-00430, June 26, 2001, p. 7.

- 1 • Percentage of LNP Only Due Dates Within Industry Guidelines
2 (Texas No. 91)
- 3 • Percentage of Premature Disconnects for LNP Orders (Texas No.
4 96)
- 5 • Average Days Required to Process a Request (Texas No. 106)
- 6 • Percentage of Updates Completed into the Database within 72
7 Hours for Facility Based CLECs (Texas No. 110)
- 8 • Percentage of DA Database Accuracy for Manual Updates (Texas
9 No. 112)

10

11 BellSouth believes that these measurements are unnecessary for the
12 reasons given in my direct testimony in this proceeding. Apparently,
13 the CLECs do not see a need for these measurements either.

14

15 Q. WHAT IS BELL SOUTH REQUESTING OF THE AUTHORITY
16 REGARDING THE EIGHT MEASUREMENTS FROM THE TEXAS
17 PLAN JUST IDENTIFIED?

18

19 A. Given that none of the parties to this proceeding are requesting these
20 measurements, BellSouth requests that the Authority eliminate these
21 measurements from consideration for inclusion in the set of permanent
22 performance measurements that the Authority will adopt in this
23 proceeding.

24

25

1 Q. ON PAGE 18 OF HER TESTIMONY, MS. KINARD INDICATES THAT
2 THE METRICS "BONA FIDE REQUESTS PROCESSED WITHIN 30
3 BUSINESS DAYS" AND "PERCENTAGE OF QUOTES PROVIDED
4 FOR AUTHORIZED BFRS/SPECIAL REQUESTS WITHIN X
5 (10,30,90) DAYS" SHOULD BE INCLUDED IN THE PERFORMANCE
6 MEASUREMENTS SET ADOPTED BY THE TRA. HOW DO YOU
7 RESPOND?

8
9 A. Not every single aspect of a CLEC's negotiations with BellSouth is
10 appropriate or necessary to be included in the performance
11 measurements adopted by the Authority. Some matters are properly
12 handled as part of normal business negotiations between parties.
13 "Bona Fide Requests Processed within 30 Business Days" and
14 "Percentage of Quotes Provided for Authorized BFRs/Special Requests
15 within X (10,30,90) Days" are two such measures. As mentioned in my
16 Direct Testimony, a Bona Fide Request is a formal request by a CLEC
17 for something outside of BellSouth's normal services or processes and
18 can range from simple to extremely complex. Requests of this type
19 require a cooperative effort between the parties involved, which is more
20 qualitative than quantitative. It is unreasonable to attempt to measure
21 BellSouth's performance in delivering a process that has such a broad
22 range of complexity.

23
24 Beyond the issue of the varying complexity of these requests, there
25 isn't much activity to measure. During the period of January 2001

1 through June 2001, BellSouth received only 13 Bona Fide Requests
2 from CLECs in Tennessee. While BellSouth could report its
3 performance with respect to Bona Fide Requests on a manual basis, it
4 is impossible to draw any conclusions about BellSouth's performance
5 based upon such a limited number of transactions.

6
7 Finally, CLECs have not indicated that a substantial increase in the
8 number of Bona Fide Requests in the future is likely. In fact, as the
9 number of required UNEs has grown, the need for BFRs has declined.
10 Therefore, BellSouth does not believe it is appropriate or necessary to
11 add these measurements at this time.

12

13 BENCHMARKS

14

15 Q. ON PAGE 55 OF HER TESTIMONY, MS. KINARD STATES THAT
16 BELL SOUTH'S OVERALL PERFORMANCE STANDARDS ARE LOW,
17 CITING NEW YORK AND TEXAS JURISDICTION WITH HIGHER
18 BENCHMARKS. SHE ALSO PROPOSES STANDARDS IN HER
19 EXHIBIT KK-B. CAN YOU COMMENT ON HER REMARKS?

20

21 A. Certainly. As I mentioned on page 10 of my testimony, all of Ms.
22 Kinard's proposed benchmarks are 95% or greater with approximately
23 30% of these benchmarks set at 100% - or perfection. BellSouth
24 would note that Ms. Kinard simply presents her analogs and
25 benchmarks without any critical analysis to support the conclusions she

1 has reached. BellSouth would also note that its recommendations are
2 the result of several years work and have been conformed to the
3 results reached in Georgia and Louisiana. BellSouth agrees, as stated
4 earlier, with the principle that simply having another state approve
5 something does not necessarily mean it is appropriate for Tennessee.
6 However, some consideration should be given to the fact that Georgia
7 has approved these analogs and benchmarks.

8

9 DISAGGREGATION

10

11 Q. TURNING TO A NEW SUBJECT, STARTING ON PAGE 34 OF HER
12 TESTIMONY, MS. KINARD DISCUSSES THE CLECs' PROPOSED
13 LEVELS OF DISAGGREGATION FOR THEIR PERFORMANCE
14 MEASUREMENTS. HOW DO YOU RESPOND TO THE
15 DISAGGREGATION LEVELS PROPOSED BY MS. KINARD?

16

17 A. The term disaggregation refers to the breakdown, for reporting
18 purposes, of measurements into specific sub-metrics, such as
19 products, activity types, and volumes. Achieving an appropriate level of
20 disaggregation is important because performance reporting usually
21 occurs only at this level. However, it is also important that the
22 disaggregation not be so granular and so detailed that the data is not
23 usable to assess the overall quality of performance. Using an analogy,
24 one would not view an artist's painting by focusing only on the
25 individual brush strokes. Yet the CLECs' proposal does just that by

1 taking to bizarre extremes the comparison points at which BellSouth's
2 performance is evaluated.

3

4 Q. PLEASE GIVE AN EXAMPLE TO ILLUSTRATE THE EFFECT OF MS.
5 KINARD'S PROPOSED LEVEL OF DISAGGREGATION.

6

7 A. Trying to reconstruct the measurements proposed by Ms. Kinard is a
8 complex and laborious process. It requires references to several
9 documents and representations in her testimony, and finally to her
10 testimony in the generic Performance Measurements Docket in Florida.

11

12 On page 11 of her testimony, Ms. Kinard refers to her exhibits KK-D
13 and KK-E, as reflecting the levels of disaggregation proposed by the
14 CLECs. Exhibit KK-D contains the CLECs' actual disaggregation
15 proposal, which is almost identical to what Ms. Kinard has filed in other
16 states. Exhibit KK-E contains Ms. Kinard's estimate of the number of
17 sub-measures in the CLEC plan once their proposed disaggregation
18 has been completed.

19

20 As an example, please refer to page 6 of Exhibit KK-E where Ms.
21 Kinard begins with the list of Provisioning Measurements. The first
22 provisioning measurement listed is measure P-1, Mean Held Order
23 Interval & Distribution Intervals. This is the first in a series of
24 measurements of the provisioning process. In the far right hand
25 column of this exhibit, Ms. Kinard calculates that there are 96 separate

1 sub-metrics for measurement this measurement of Held Orders. Yet
2 her Exhibit KK-D contradicts this. Exhibit KK-D requires that the Mean
3 Held Order measurement category be broken down according to:

- 4 • 33 types of products. (Exhibit KK-D, Section F)
- 5 • 8 levels of geography (per Section D, item 4). To clarify, BellSouth
6 operates in 6 MSAs in Tennessee. In addition there is one 'non-
7 MSA' for all areas of Tennessee not in an MSA and a final
8 geographic level for the aggregate total of the areas in Tennessee
9 where BellSouth operates. The CLECs also operate in all of these
10 areas in Tennessee. On pages 40 – 41 of her Direct Testimony,
11 Ms. Kinard defines the geographic reporting level as the MSA. Yet
12 on her Exhibit KK-E, she randomly defines the geographic
13 disaggregation as 3, not 8. Her apparent rationale is that "BST
14 should provide information to the Commission to determine the
15 appropriate number of geographic disaggregations." (Kinard Direct,
16 Exhibit KK-E, Page 6.) I don't know how much additional
17 information the Authority needs other than the fact that there is a
18 CLEC presence in every MSA where BellSouth operates. This is
19 based on a simple scan of a list of BellSouth offices where CLECs
20 have collocation. This does not include BellSouth offices where the
21 CLEC have no collocation but are reselling services. Therefore, the
22 actual amount of geographic disaggregation being requested is 8.
- 23 • 3 levels of Dispatch – Dispatch In, Out and Non-Dispatch (Exhibit
24 KK-D, Section D, Item 2) Ms. Kinard does not include this
25 disaggregation in her calculations on Exhibit E, page 6.

- 1 • 3 levels of volumes (per Section D, Item 3) for 1-5 lines, 6-14 lines
2 and 15+ lines. Interestingly, Ms. Kinard ignores the volume
3 disaggregation in her calculations on Exhibit KK-E, page 6.
- 4 • Some additional disaggregation for Service Order Activity. Service
5 order activity is not defined in Ms. Kinard's direct testimony or in the
6 attached exhibits but she has confirmed that the CLECs still request
7 it. In Exhibit C, Appendix B, of the Task Force Final Report in North
8 Carolina, the CLECs, one of which was represented by Ms. Kinard,
9 specified 14 types of service order activity, such as New Service
10 Installations, Inside Moves with Changes, and Service Disconnects.
11 For the Held Orders, there would be approximately 5 types of
12 service order activity. None of these are reflected in Exhibit KK-E.

13

14 This means there are 33 times 8 times 3 times 3 times 5 = 11,880 sub-
15 metrics for the single measurement of Mean Held Order Interval &
16 Distribution Interval. However, even this is not enough. In Exhibit KK-A
17 (page 5) to her direct testimony, Ms. Kinard states that the Mean Held
18 Order Interval should also be disaggregated into three more categories;
19 “facilities,” “load,” and “other” at the very least. In other words, Ms.
20 Kinard is proposing $11,880 \times 3 = 35,640$ sub-metrics just to measure
21 Held Orders instead of the 96 as Ms. Kinard claims. This number of
22 submetrics just for this single measurement is beyond absurd.

23
24
25

1 This example also points out how confusing, incoherent and
2 contradictory the CLECs' proposal really is. The Exhibits do not agree
3 with one another and the exhibits contradict Ms. Kinard's testimony.

4
5 Q. IN THE EXAMPLE ABOVE, YOU USE JUST ONE MEASUREMENT,
6 MEAN HELD ORDER INTERVAL & DISTRIBUTION INTERVAL, TO
7 DEMONSTRATE THE EFFECT OF DISAGGREGATION. USING A
8 SIMILAR ANALYSIS FOR ALL MEASUREMENT CATEGORIES,
9 DOES THE CLECS PLAN CONTAIN 2778 SUB-METRICS, AS MS.
10 KINARD ASSERTS?

11
12 A. No, the CLECs' measurement plan clearly consists of more than
13 400,000 sub-metrics, as shown in Exhibit DAC- R1. And that is just for
14 the CLEC aggregate each month. Ms. Kinard's claims that her plan
15 contains 2778 sub-metrics, as shown in her Exhibit KK-E. This is just
16 wrong as my exhibit shows. Each of these 400,000 sub-metrics must
17 then be compared against a standard, either a retail analog or a
18 benchmark. Essentially, the Authority is faced with the monthly
19 comparison of hundreds of thousands of numbers to evaluate
20 BellSouth's performance just for the CLEC industry as a whole. If the
21 Authority is interested in performance for one or more CLECs
22 individually, the comparisons run into the millions.

23
24 Q: YOU ESTIMATED OVER 400,000 SUB-METRICS USING MS.
25 KINARD'S TESTIMONY AND EXHIBITS. YET MS. KINARD

1 CALCULATES PRECISELY 2,778 ON EXHIBIT KK-E, ATTACHED TO
2 HER TESTIMONY. WHY WOULD SUCH A LARGE DIFFERENCE
3 EXIST?

4
5 A. First, it is clear that Ms. Kinard has severely understated the number of
6 measurements. Two possible reasons for this difference include:

7
8 1. Ms. Kinard has not defined her proposal comprehensively. Instead it
9 is scattered in pieces through several exhibits that are inconsistent with
10 one another and with her testimony. This appears to be particularly
11 true of the Exhibits KK-D and KK-E. The disaggregation for products,
12 geography, volume, dispatch type and ordering on Exhibit KK-D are not
13 reflected in her estimates of measurements on KK-E.

14
15 2. Ms. Kinard is attempting to downplay the sheer magnitude of the
16 number of sub-metrics she is proposing because it clearly renders the
17 proposal useless on its face.

18
19 Moreover, the CLECS have changed their story regarding the number
20 of sub-measures numerous times before arriving at Ms. Kinard's
21 current estimate. On June 5, 2001 Ms. Kinard filed an estimate of the
22 sub-measures in the CLEC plan for the first time in answer to an
23 interrogatory served in the North Carolina Performance Measurement
24 docket. Eight days later, Ms. Kinard testified in North Carolina that the
25 CLEC plan had a different quantity of measurements, and the new

1 estimated number was filed by the CLECs in North Carolina after the
2 hearing. Ms. Kinard's estimate in the proceeding before this Authority
3 includes yet another number.

4
5 Also, in the Florida Performance Measurements proceeding, which was
6 heard in April of this year, Ms. Kinard testified that she did not know the
7 number of sub-measures in the CLEC plan. Ms. Bursh, however,
8 testified in a deposition given in the Florida proceeding that she had
9 performed her own calculation and concluded that there are precisely
10 10,000 sub-measures in the CLEC plan. One week later, at the Florida
11 hearing on April 27, 2001, Ms. Bursh then stated that her estimate was
12 incorrect because she had failed to disaggregate the measurements by
13 some categories proposed by the CLECS (Florida Hearing Transcript,
14 page 1040). Although she could not identify all the CLEC proposed
15 disaggregation she failed to consider, she specifically identified trouble
16 codes and geography. Finally AT&T, on whose behalf Mr. Bursh
17 testified, stipulated that "the number that she initially provided omitted
18 things and is therefore inaccurate." (Transcript, p 1043).

19
20 It is undisputed that the more disaggregation in a plan, the more sub-
21 measures. Thus, Ms Bursh's failure to account for all CLEC proposed
22 disaggregation would necessarily mean that her estimate was low.
23 Still, Ms. Bursh's estimate in Florida of the sub-measures in the CLEC
24 plan was almost four times as high as the estimate Ms. Kinard now
25 claims to be accurate. Although Ms. Bursh and Ms. Kinard have given

1 conflicting estimates before different Commissions, they are consistent
2 in one regard: both have prepared estimates that ignore huge portions
3 of the CLEC-proposed disaggregation and, consequently, grossly
4 underestimate the number of sub-measures in the CLEC plan.

5
6 Whatever the true number of sub-measures in the CLEC plan (a
7 number that is impossible to determine precisely, but certainly many
8 times Ms. Kinard's latest claim), the fact remains that the CLECs have
9 not provided the Tennessee Regulatory Authority with a coherent, well-
10 defined measurement plan. In short, the Authority cannot even tell
11 what it would be approving if the CLECs' plan were adopted.

12

13

14 Q. HOW SHOULD LEVELS OF DISAGGREGATION BE DETERMINED?

15

16 A. The fact is that determining the appropriate level of disaggregation
17 involves balancing the need to address relevant performance masking
18 with the ability to produce meaningful results and provide a report of
19 manageable size. Performance masking occurs when poor
20 performance in one area is masked by good performance in another
21 area. Such masking does not occur just because multiple products are
22 grouped together as Ms. Kinard implies. Ms. Kinard agrees that a
23 performance plan should produce meaningful results; yet, she
24 proposes a plan with 400,000 sub-metrics without attempting to
25 reconcile these two conflicting positions.

1

2 Q. BASED ON THIS ANALYSIS, HOW DO YOU VIEW THE CLEC PLAN?

3

4 A. As I stated previously, the CLEC plan includes over 400,000 sub-
5 metrics, compared to approximately 1200 sub-metrics in BellSouth's
6 proposed SQM. The level of disaggregation in the two plans principally
7 accounts for this difference. By any reasoned analysis, the CLECs'
8 proposal has to be viewed as useless. Simply proposing a plan with
9 400,000 measures is outrageous. BellSouth cannot be expected to
10 manage daily operations with 400,000 measurements to balance every
11 day. Furthermore, the Authority presumably would be interested in
12 monitoring and evaluating BellSouth's performance over a period of
13 time, not just for one month. A quarterly evaluation of BellSouth's
14 performance would require the Authority to assess 1.2 million sub-
15 metrics. The bottom-line is that the CLECs are suggesting that the
16 Authority needs over 400,000 sub-metrics each month to identify
17 disparate treatment. BellSouth believes 400,000 measurements is
18 simply preposterous.

19

20 Q. PLEASE ADDRESS MS. KINARD'S CONTENTION ON PAGE 41
21 THAT MSA LEVEL REPORTING IS IMPORTANT.

22

23 A. I disagree with her contention, and she provides no valid rationale for it.
24 First she claims that MSA level disaggregation is needed for CLECs
25 because "if rural and urban, competitive and noncompetitive areas of

1 the state are combined, real disparities in performance will be hidden.”
2 This rationale doesn’t make practical sense. For performance
3 compared to a benchmark, it is generally irrelevant whether the CLEC
4 operates in rural, urban, competitive, or noncompetitive areas. The
5 appropriate comparisons can be made in all cases. Where a retail
6 analog applies, Ms. Kinard is attempting to address a hypothetical
7 problem, for which there is no basis to conclude that the problem
8 exists.

9
10 Further, BellSouth manages its operations through systems and
11 processes developed regionally. Consequently, systemic performance
12 issues that affect one area of a state and not another area are unlikely.
13 Nevertheless, Ms. Kinard asks this Authority to assume that such
14 differences exist without any basis for that conclusion.

15
16 Ms. Kinard attempts to obfuscate her lack of rationale by
17 inappropriately shifting the burden to BellSouth to prove that MSA level
18 reporting is not needed. It is incumbent upon the CLECs to prove that
19 multiplying the number of sub-metrics by 8 is a reasonable reaction to a
20 hypothetical problem. They haven’t done so, and their claims should
21 be rejected.

22
23 Q. PLEASE ADDRESS MS. KINARD’S ADDITIONAL REMARKS
24 REGARDING THE NEED FOR MSA LEVEL DISAGGREGATION.

25

1 A. Ms. Kinard somehow claims that MSA level disaggregation will “protect”
2 BellSouth from wrongful accusations. This claim is based on a
3 supposed experience with the Verizon Application in New York. First,
4 BellSouth will pass on her offer of protection. The insurance premium
5 is simply too high. Second, the FCC did not view her alleged problems
6 with analyzing data in the Verizon Application as serious. The FCC
7 approved the application despite these claims of inadequacy by Ms.
8 Kinard.
9
10 Q. ON PAGE 43 OF HER TESTIMONY, MS. KINARD IMPLIES THAT
11 BELL SOUTH IS USING MORE COMPUTER PROCESSING AND
12 STORAGE CAPACITY THAN THE CLEC DISAGGREGATION
13 PROPOSAL REQUIRES. HOW DO YOU RESPOND TO THIS
14 ARGUMENT?
15
16 A. That statement is completely invalid. She confuses reporting levels
17 with statistical testing requirements. Under either the CLECs’ plan or
18 SEEM, like-to-like comparisons must be made wherever retail analogs
19 exist in the penalty plan. The criteria for these comparisons, such as
20 wire center and time of month, were established by the CLECs’
21 statistician in Louisiana. Neither BellSouth’s nor the CLECs’
22 performance plan is sufficiently broken down to permit like-to-like
23 comparisons for penalties. BellSouth must perform further breakdowns
24 for the 75 SEEM measurements. CLECs simply ignore their own
25 statistician’s advice for now and don’t make like-to-like comparisons. If

1 CLECs decided to follow their own statistician's advice either now or
2 later, BellSouth would have to perform the same breakdowns
3 performed by SEEM on hundreds of thousands instead of 75
4 measurements.

5
6 I must emphasize again, the CLECs' performance disaggregation is not
7 a way to make like-to-like comparisons. Instead, it represents the level
8 at which performance data is reported. The actual statistical testing is
9 done at a much more granular level than is practical for reporting
10 performance data. The same disaggregation performed for SEEM
11 would need to be performed for each of the CLECs' measurements.

12
13 Q. WHAT RELEVANT DATA CAN THE AUTHORITY EXAMINE TO
14 ASSESS THE REASONABLENESS OF PROPOSED LEVELS OF
15 DISAGGREGATION?

16
17 A. One fairly simple, yet telling, analysis would be to assess the extent to
18 which transactions occur in existing sub-metrics. Overall, about a third
19 of the sub-metrics in BellSouth's plan do not have any transactions for
20 any CLEC in a state. Despite the fact that so many of the current sub-
21 metrics have no activity, the CLECs want even more finely
22 disaggregated sub-metrics. In many cases, the CLECs are requesting
23 BellSouth to simply produce even more sub-metrics with no activity.
24 There is no way to conclude that producing reports with more zeroes
25 on them provides any useful performance evaluation data. Producing

1 such reports could take months, perhaps years, of additional
2 programming time just to ensure that the data would be captured
3 should any activity occur at some future time.

4

5 DEFINITIONS, BUSINESS RULES AND EXCLUSIONS

6

7 Q. IN HER EXHIBITS KK-A AND KK-B ATTACHED TO HER
8 TESTIMONY, MS. KINARD ADDRESSES CHANGES TO BUSINESS
9 RULES, EXCLUSIONS, CALCULATIONS AND STANDARDS THAT
10 SHE ALLEGES SHOULD BE AFFECTED IMMEDIATELY. HOW DO
11 YOU RESPOND?

12

13 A. Ms. Kinard is once again attempting to sidetrack the Authority into a
14 protracted and unnecessary exercise and delay this proceeding.
15 Nevertheless, I would note that Ms. Kinard's analysis in her exhibit KK-
16 A is based on an older SQM and the revisions we have in our new
17 SQM address a number of her concerns. For instance, in connection
18 with the measurement identified as OSS-1, Average Response Time
19 and Response Interval, BellSouth defines this measurement in the
20 manner that Ms. Kinard defines it.

21

22 In some cases we do disagree, such as with Business Rule 2.
23 Business Rule 2, however, is not a rule at all, but instead is an editorial
24 comment by Ms. Kinard. As for her other comments, to the extent that

25

1 they are still relevant to the proposed SQM, BellSouth's existing
2 business rules are clear, concise, and appropriate.

3

4 It is important to note that the proposed SQM, attached to my direct
5 testimony as Exhibit DAC-1, is an updated SQM that has been
6 modified to incorporate changes proposed by KPMG, as part of the
7 Performance Metrics Audit conducted in Georgia, as well as the
8 Georgia and Louisiana Commission orders. Further, in my Exhibit
9 DAC-R4, attached to this testimony, I have addressed each change
10 proposed by Ms. Kinard in her Exhibit KK-A. In my Exhibit DAC-R5,
11 attached to my testimony, I address the changes proposed by Ms.
12 Kinard in her Exhibit KK-B.

13

14 Q. WOULD YOU COMMENT ON MS. KINARD'S REMARKS ABOUT
15 DIFFERENCES IN BUSINESS RULES AMONG ILECS ON PAGE 32
16 OF HER TESTIMONY – SPECIFICALLY ADDRESSING ORDER
17 COMPLETION INTERVAL?

18

19 A. Yes. Ms. Kinard's remarks are illogical. She states that the start time
20 for Order Completion should be from the receipt of an error-free LSR,
21 rather than when the Service Order is created. In essence, Ms. Kinard
22 wants the OCI measurement to combine the intervals for two different
23 processes, order processing and provisioning, into a single
24 measurement. This is an interesting departure from the CLECs' usual

25

1 penchant for separate measurements of sub-processes within a larger
2 process.

3

4 However, in this instance, BellSouth believes that having separate
5 measurements of the ordering process and the provisioning process is
6 necessary. This is because mechanized ordering systems and order
7 center personnel are responsible for order processing and most orders
8 are processed electronically. In contrast, BellSouth's network
9 organization is primarily responsible for the provisioning process and
10 most of the provisioning for CLECs involves manual effort. For that
11 reason, the appropriate measurement for ordering is the Firm Order
12 Confirmation Timeliness measurement and the appropriate
13 measurement for provisioning is the existing Order Completion Interval.

14

15 Q. HOW DO YOU RESPOND TO MS. KINARD'S COMMENT THAT
16 BELLSOUTH'S HOT CUT TIMELINESS METRIC DOES NOT
17 DETERMINE WHETHER THE CUT ENDED ON TIME?

18

19 A. She is wrong about BellSouth's hot cut timeliness measurements.
20 Measurements P-6, "Coordinated Customer Conversions Interval" and
21 P-6A, "Coordinated Customer Conversions – Hot Cut Timeliness"
22 measure whether a hot cut started and ended on time. There is no
23 basis to respond with regard to whether the measurements are the
24 same as any other ILEC's hot cut metrics, nor does Ms. Kinard provide

25

1 any information to assess the validity of her claim that BellSouth is out
2 of line.

3

4 Q. ON PAGE 31 OF HER TESTIMONY, MS. KINARD USES THE "OSS
5 RESPONSE INTERVAL" AS AN EXAMPLE OF A MEASUREMENT
6 WITH A BUSINESS RULE THAT NEEDS CHANGING. IN
7 PARTICULAR, SHE STATES THAT THE START AND STOP TIMES
8 ARE INAPPROPRIATE. HOW DO YOU RESPOND?

9

10 A. BellSouth's metric "Average Response Time and Response Interval" is
11 essentially a parity measure. The standard for this measure is parity +
12 4 seconds. The 4 seconds are added to account for firewall protection,
13 acknowledged as appropriate by the FCC. The interval start time is
14 based on the point at which the client application submits a request to
15 the legacy system and end time is when an appropriate response is
16 sent to the client application. For CLECs, the client application is LENS
17 or TAG and for BellSouth, the client applications are RNS and ROS.
18 Although, we are only talking fractions of a second difference between
19 the time that BellSouth receives the request from the CLEC and the
20 time the request is submitted to the legacy systems, BellSouth is
21 pursuing adjusting the beginning and ending time stamps to
22 accommodate this fractional response time.

23

24 Q. ON PAGE 34 OF HER TESTIMONY MS. KINARD, STATES THAT
25 NON-MECHANIZED ORDERS SHOULD NOT BE EXCLUDED FROM

1 THE MEASURE AVERAGE COMPLETION NOTICE INTERVAL.

2 HOW DO YOU RESPOND?

3

4 A. Ms. Kinard is mistaken on this issue. Non-mechanized orders are not
5 excluded from the measure "Average Completion Notice Interval." The
6 proposed SQM is attached to my Direct Testimony as DAC-1.

7

8 Q. MS. KINARD ARGUES THAT DS1 LOOPS SHOULD NOT BE
9 INCLUDED WITH DS3 LOOPS. DO YOU AGREE?

10

11 A. No. DS1 and DS3 have similar design and provisioning processes,
12 even though the design and testing parameters are different. More
13 importantly, there is very little DS3 activity in Tennessee. CLECs in TN
14 are ordering an average of one DS3 every 3 months in Tennessee.
15 Such a small amount is simply not enough to warrant a separate
16 product disaggregation.

17

18 Q. ADDRESSING THESE CHANGES IN GENERAL, HAVE THE
19 CHANGES TO BUSINESS RULES, EXCLUSIONS, CALCULATIONS
20 AND STANDARDS PROPOSED BY MS. KINARD BEEN REVIEWED
21 BY OTHER STATE COMMISSIONS?

22

23 A. Yes. Numerous changes advocated by Ms. Kinard are simply the
24 same changes that the CLECs have attempted to get adopted in
25 Louisiana and Georgia for the past 2 years. Many of the CLECs

1 participating in those dockets are the same CLECs involved in this
2 generic proceeding in Tennessee. These changes weren't adopted
3 over the past two years and the passage of time has not made them
4 any more valid. Ms. Kinard is simply re-hashing old issues and offers
5 no substantive reason why BellSouth's business rules should be
6 changed.

7
8 Q. CAN YOU SUMMARIZE, IN BASIC TERMS, WHAT THE REAL
9 IMPACT WOULD BE IN ORDERING ALL OF THE ADDITIONAL
10 MODIFICATIONS MS. KINARD PROPOSES TO THE BELL SOUTH'S
11 PROPOSED SQM?

12
13 A. Yes. As I explained in detail in my direct testimony, changes to
14 BellSouth's proposed SQMs are not effected simply by throwing a
15 switch or adding a line of code to a program. If this Authority decides
16 to order any of the additional new measures or changes to existing
17 measurements, i.e. levels of disaggregation, changes to business rules,
18 changes to analogs or benchmarks, proposed by Ms. Kinard, the time
19 and resources required by BellSouth to incorporate these changes will
20 be significant.

21
22 I do not want to suggest that BellSouth is unwilling to do what this
23 Authority finally determines to be appropriate, but it is important to
24 remember that the purpose of performance measurements is to provide
25 this Authority with sufficient data on which to identify disparate

1 treatment, not to measure microscopically every single detail of
2 BellSouth's operations. The time and effort required to produce the
3 CLECs' requested additional sub-metrics should not be glossed over.
4 The sub-metrics this Authority decides upon are the foundation upon
5 which the Authority and its Staff will have to perform an analysis each
6 and every month to determine if disparate treatment exists. The volume
7 of data must be manageable by the people who have to use it. At
8 issue is the question: "How much data is enough?" As I testified
9 previously, BellSouth's SQMs are the result of years of work and
10 refinement. They represent a comprehensive set of performance
11 measurements that are more than sufficient for this Authority to monitor
12 BellSouth's performance in Tennessee.

13

14 RAW DATA AVAILABILITY AND PERFORMANCE REPORTING

15

16 Q. MS. KINARD EXPRESSES CONCERNS ABOUT THE RAW DATA
17 THAT BELL SOUTH PROVIDES. PLEASE DESCRIBE WHAT RAW
18 DATA IS AND HOW IT IS USED.

19

20 A. Raw data refers to the data that underlies the calculation of
21 performance results in the proposed SQM that are contained in PMAP.
22 The proposed SQM identifies the specific calculations that produce
23 each measurement. Raw data are the individual records that support
24 those calculations. BellSouth is not required by the Act to make raw
25 data generally available. Both Verizon and SBC obtained interLATA

1 authority without providing the equivalent of raw data to the CLECs.
2 Raw data does provide a great degree of detail which, when utilized
3 with the Raw Data Users Manual, allows a CLEC to recreate
4 performance results from the raw data. However, raw data was never
5 intended to identify, nor should it identify, all of the data that was
6 excluded from early stage data.

7
8 Ms. Kinard repeatedly misidentifies early stage data as raw data, when
9 she complains about the lack of raw data she is actually complaining
10 about the inabilities to access “early stage” data. Early stage data
11 excluded from raw data is irrelevant to performance results. For
12 example, I can see no reason why a service representative’s
13 identification is relevant to performance results. Once again, Ms.
14 Kinard is making much ado about nothing.

15
16 BellSouth produces and publishes CLEC-specific “raw data” in
17 accordance with the December 1997 Georgia Public Service
18 Commission (GPSC) Order in Docket No. 7892-U in re: Performance
19 Measurements for Telecommunications Interconnection, Unbundling,
20 and Resale. In this Order, the GPSC requires that BellSouth “provide
21 access to the available data (i.e., Data Warehouse) and information
22 necessary for a carrier receiving Performance Monitoring Reports to
23 verify the accuracy of such reports.” Generally, providing raw data is
24 not a requirement under the Telecom Act, however, BellSouth has
25 elected to provide raw data in this manner in each state.

1

2 In accordance with the Georgia Commission's directive, BellSouth
3 modified the PMAP platform to produce raw data files containing the
4 detailed, CLEC-specific transaction information underlying each
5 applicable proposed SQM report. BellSouth makes raw data available
6 to CLECs via its PMAP website (<https://pmap.bellsouth.com>) and has
7 been doing so for years. In order to assist the CLECs in downloading,
8 interpreting, and using the raw data, BellSouth publishes the Raw Data
9 Users Manual and posts this document to the PMAP website
10 (<https://pmap.bellsouth.com>). The specific information that BellSouth
11 retains and provides to CLECs in support of each Proposed SQM
12 metric is clearly outlined in the Raw Data User's Manual. This
13 document is updated as necessary to reflect any changes made to the
14 reported metrics.

15

16 Q. TO WHAT EXTENT IS RAW DATA BEING PRODUCED?

17

18 A. Beginning later this year, BellSouth will produce raw data for all of its
19 published proposed SQM results required by the January 12, 2001
20 Order in the Georgia Performance Measurement Docket. With the
21 production of these proposed SQM results, BellSouth provides the
22 underlying raw data for all of the proposed SQM reports where CLEC-
23 specific results reporting is applicable. Previously, raw data is available
24 for the sub-metrics that existed before the Georgia Order and those
25 measurements in the Georgia Order that have been implemented.

1

2 Q. HOW IS PERFORMANCE DATA VALIDATED?

3

4 A. BellSouth's proposed SQM data is verified and validated in three ways
5 to maintain the integrity of the data and to insure that no data is lost.

6 First, BellSouth's systems have internal quality assurance controls.

7 Second, BellSouth has implemented manual data validation processes
8 within and between data processes. These checks take place for both

9 BellSouth data and CLEC data. Third, BellSouth has undergone a
10 stringent Third Party Audit of its performance data generation process
11 conducted by KPMG as ordered by the GPSC. Finally, PMAP will be
12 audited annually by an outside auditor.

13

14 BellSouth's systems execute a number of validation checks to ensure
15 that no records are lost between databases from the legacy systems to
16 PMAP staging. In addition, raw data validation scripts are used to
17 insure that the raw data made available to CLECs on the Web can be
18 used to produce the PMAP reports posted to the Web.

19

20 BellSouth also performs a number of manual validation processes on
21 the data each month to assess its accuracy and completeness. These
22 validation processes can be divided into two categories – code
23 validation and business validation. In the first process, the data
24 production team analyzes and validates the code. This team validates
25 the computer programming to ensure the data is produced in

1 accordance with the code. The second data validation process is
2 conducted by the Data Analysis team. The Data Analysis team is a
3 group of Business Analysts, who perform reasonableness checks on
4 the data. For example, they may review data for the current month
5 compared to the previous month to see if volumes or volume changes
6 are reasonable from a business standpoint. Another function of the
7 Data Analysts is to insure that accurate Proposed SQM Definitions,
8 Business Rules, and Exclusions are applied to the data. Similarly,
9 experts in the field (Network Operations, Local Carrier Service Center
10 (LCSC)) review the performance results to validate that the results are
11 reasonable.

12

13 Q. HOW WOULD YOU ADDRESS MS. KINARD'S CRITICISMS OF THE
14 PMAP WEBSITE ON PAGE 53?

15

16 A. Ms. Kinard's complaints do not reflect a shortcoming in the PMAP
17 website. The way these reports are generated is the only practical way
18 to generate up to 1200 sub-metrics for every CLEC each month. Ms.
19 Kinard ignores the magnitude of this undertaking and complains about
20 how long it takes to pull the reports provided. However, in one breath
21 she complains about how long it takes to access the data, while in
22 another she recommends that hundreds of thousands of additional
23 measurements must be produced. Surely, Ms. Kinard must expect that
24 the time to produce 300 times as many measurements would be
25 longer. But she is apparently happy to live with that longer time while

1 complaining about the time it takes to receive data with the current set
2 of measurements. Ms. Kinard also ignores the fact that speed of the
3 data retrieval is affected by a number of factors, some of which are
4 attributed to the CLEC.

5

6 AFFILIATE REPORTING

7

8 Q. MS. KINARD RAISES THE ISSUE OF AFFILIATE REPORTING OF
9 PERFORMANCE MEASUREMENTS DATA. HOW IS "AFFILIATE"
10 DEFINED IN THE ACT?

11

12 A. The term "Affiliate" is defined in the Act as follows:
13 AFFILIATE - The term "affiliate" means a person that (directly or
14 indirectly) owns or controls, is owned or controlled by, or is under
15 common ownership or control with, another person. For purposes of
16 this paragraph, the term "own" means to own an equity interest (or the
17 equivalent thereof) of more than 10 percent. (47 U.S.C. 153(1))

18

19 Q. MS. KINARD STATES AT PAGE 55 THAT "ANY TIME BELL SOUTH'S
20 AFFILIATES RESELL BELL SOUTH'S RETAIL SERVICES OR BUY
21 THE SAME TYPES OF INTERCONNECTION SERVICES OR UNES,
22 IT IS APPROPRIATE TO COMPARE THE AFFILIATE'S TREATMENT
23 TO THE WAY BELL SOUTH'S COMPETITORS ARE TREATED." DO
24 YOU AGREE?

25

1 A. It appears that BellSouth is in agreement with Ms. Kinard that a
2 BellSouth affiliate that does not purchase wholesale services from
3 BellSouth should not be subject to a reporting requirement. However,
4 BellSouth disagrees with Ms. Kinard's apparent contention that data
5 should be reported for any BellSouth affiliate that purchases wholesale
6 services, even if that affiliate is not providing local services.

7

8 Q. UNDER WHAT CIRCUMSTANCES WOULD IT BE APPROPRIATE TO
9 REPORT BELL SOUTH'S PERFORMANCE TO ITS AFFILIATES?

10

11 A. In the context of performance measurements and enforcement
12 mechanisms, the only BellSouth affiliate that could potentially be
13 relevant to the discussion would be a BellSouth-affiliated CLEC, which
14 is the only affiliate that could provide local exchange services. There
15 is no BellSouth-affiliated CLEC operating in Tennessee at this time.
16 For the record, however, I will provide the Authority with BellSouth's
17 position on performance measurements reporting requirements for a
18 BellSouth-affiliated CLEC.

19

20 If a BellSouth-affiliated CLEC that is certified to provide local service
21 were operating in a state within BellSouth's service territory, it would be
22 appropriate to consider the performance that BellSouth provides to this
23 CLEC just as the Authority would consider the performance provided to
24 any other CLEC. It would make no sense, however, to require
25 reporting that relates to the service that BellSouth provides to an

1 affiliate that does not purchase the same wholesale service as a CLEC
2 or use the service the same way. Obviously, the services that a
3 wireless BellSouth affiliate purchases or that a long distance affiliate
4 purchases to provide its services are different than the services that
5 CLECs purchase from BellSouth to provide local service. For this
6 reason, BellSouth's provisioning of wholesale services to non-local
7 affiliates is irrelevant when determining whether BellSouth is providing
8 nondiscriminatory access to CLECs.

9
10 Indeed, Ms. Kinard appears to support BellSouth's view. At page 58,
11 she states "when an affiliate is created and starts ordering through the
12 same systems and processes as the CLECs, this creates a retail
13 analog where none existed before." The only BellSouth affiliate that
14 would be "ordering through the same systems and processes as the
15 CLECs" would be a BellSouth-affiliated CLEC. Again, there is no such
16 CLEC operating in Tennessee at this time.

17
18 Q. IN ITS ORDERS GRANTING INTERLATA AUTHORITY, HOW HAS
19 THE FCC USED AFFILIATE DATA?

20
21 A. In its Bell Atlantic New York Order, the FCC stated that "[f]or OSS
22 functions that are analogous to those that a BOC provides to itself, its
23 customers or its affiliates, the nondiscrimination standard requires the
24 BOC to offer requesting carriers access that is equivalent in terms of
25 quality, accuracy, and timeliness." (See Bell Atlantic New York Order, ¶

1 85; see also Southwestern Bell Texas Order, ¶ 94). Indeed, as I just
2 explained, the only BellSouth affiliate that would utilize the same OSS
3 functions as those BellSouth offers to requesting carriers would be a
4 BellSouth-affiliated CLEC.

5
6 In any event, looking at the FCC's Order in which it granted Section
7 271 relief to Bell Atlantic New York, it appears that performance to
8 affiliates did not play any specific role in the FCC's comparative
9 analysis. The FCC determined that nondiscriminatory access had been
10 demonstrated because there was "no statistically significant difference
11 between Bell Atlantic's provision of service to competitive LECs and its
12 own retail customers...." (See Bell Atlantic New York Order, ¶ 58,
13 emphasis added; see also Southwestern Bell Kansas/Oklahoma Order,
14 ¶ 58).

15
16 For example, the FCC found that Bell Atlantic provided
17 nondiscriminatory access to interconnection trunking because the
18 trunking that it provides to CLECs "is equal in quality to the
19 interconnection that Bell Atlantic provides to its own retail
20 operations...." (See Bell Atlantic New York Order, ¶ 68; see also
21 Southwestern Bell Texas Order, ¶ 67 and Southwestern Bell
22 Kansas/Oklahoma Order, ¶ 223). Likewise, the FCC found that Bell
23 Atlantic was compliant with Checklist Item 6 (unbundled local switching)
24 based upon a finding that "the features, functions and capabilities of
25 the switch [provided to the CLEC] include the basic switching function

1 as well as the same basic capabilities that are available to the
2 incumbent LEC's customers." (See Bell Atlantic New York Order, ¶
3 343; see also Southwestern Bell Texas Order, ¶ 339 and Southwestern
4 Bell Kansas/Oklahoma Order, ¶ 242). In a third example, the FCC
5 found that Bell Atlantic was compliant with Checklist Item 7 (911 and
6 E911) based on the conclusion that Bell Atlantic had satisfied the
7 requirement to "maintain the 911 database entries for competing LECs
8 with the same accuracy and reliability that it maintains the database
9 entries for its own customers." (See Bell Atlantic New York Order, ¶
10 349; see also Southwestern Bell Texas Order, ¶ 344 and Southwestern
11 Bell Kansas/Oklahoma Order, ¶ 255).

12
13 Thus, a review of these orders makes it clear that, in order to determine
14 whether a retail analog has been met, the FCC simply compared the
15 performance provided to the CLECs to the performance that the BOC
16 provided to its retail customers. Performance related to affiliates
17 played no role in this analysis.

18
19 Q. HOW HAVE STATE COMMISSIONS IN BELL SOUTH'S TERRITORY
20 ADDRESSED THE ISSUE OF AFFILIATE PERFORMANCE DATA?

21
22 A. In its January 12, 2001 ruling in Docket No. 7892-U, the Georgia PSC
23 refused to adopt a proposal for comparisons between the performance
24 for CLECs and the performance for the BellSouth affiliate, concluding
25 that if a CLEC believes that BellSouth is showing preference to its

1 affiliate, the CLEC may file a complaint with the Commission. (GPSC
2 Order at p. 13).

3

4 The Louisiana PSC has also addressed the issue of affiliate data. On
5 February 12, 2001, in Docket No. U-22252, Subdocket C, the LPSC
6 approved its Staff's Recommendation that included a proposal for a
7 possible future review of affiliate data. The Staff recommended that if
8 the activity in Louisiana of BellSouth's affiliated CLEC reaches a certain
9 threshold, then it should be reviewed in the context of future audits to
10 determine whether there is any statistically significant indication of
11 discriminatory treatment. The Staff, however, recommended no other
12 action at this time, and the LPSC concurred.

13

14 Q. IN LIGHT OF THE ABOVE, WHAT DOES BELL SOUTH PROPOSE?

15

16 A. As with all other CLECs, BellSouth will produce measurements for its
17 CLEC (if and when one becomes operational in Tennessee), both
18 individually and in the aggregate. The BellSouth-affiliated CLEC will
19 receive the same measurements and be entitled to the same remedies
20 as any other CLEC operating in BellSouth's service territory. In
21 addition, when developing the aggregate CLEC data to use in
22 determining performance for purposes of the enforcement mechanism,
23 the performance of the BellSouth-affiliated CLEC will be included.
24 Further, BellSouth will provide to the Authority periodic performance

25

1 results for its affiliated CLEC just as it does for any other CLEC
2 operating in its territory.

3

4 Thus, the Authority will have the necessary information to allow it to
5 evaluate BellSouth's performance to its CLEC relative to all other
6 CLECs. Regarding what it should do with this information, the Authority
7 could reasonably adopt either the Georgia approach (i.e., no action) or
8 the Louisiana approach (i.e., using the data to monitor only, at least for
9 the time being). The Authority should not, however, unnecessarily
10 complicate the plan by prematurely attempting to tie BellSouth-affiliate
11 performance to the voluntary enforcement plan based on concerns
12 about the hypothetical occurrence of future discrimination.

13

14 PERFORMANCE MEASUREMENTS REVIEW, THIRD PARTY DATA

15 AUDITS AND CLEC MINI-AUDITS

16

17 Q. ON PAGE 46 OF HER TESTIMONY MS. KINARD STATES THAT THE
18 AUTHORITY SHOULD IMPLEMENT A REVIEW CYCLE TO
19 CONSIDER REVISIONS TO THE PERFORMANCE MEASUREMENTS
20 IT ADOPTS. DOES BELL SOUTH AGREE?

21

22 A. Yes, the Authority should establish a review process to consider
23 revisions to the performance measurements it adopts in this
24 proceeding.

25

1 Q. WHAT REVIEW PROCESS DOES BELL SOUTH PROPOSE TO BE
2 INSTITUTED TO CONSIDER REVISIONS TO THE PERFORMANCE
3 MEASUREMENTS ADOPTED BY THIS AUTHORITY?

4
5 A. During the first two years of implementation, BellSouth proposes to
6 participate in six-month review cycles starting six months after the date
7 the Authority's order in this proceeding is implemented by BellSouth. A
8 collaborative work group, which will include BellSouth, interested
9 CLECs and the Authority will review the SQM for any desired additions,
10 needed deletions or other modifications. After two years from the date
11 of the order, the review cycle may, at the discretion of the Authority, be
12 reduced to an annual review.

13
14
15 Q. MS. KINARD, ON PAGE 47 OF HER TESTIMONY, ALSO STATES
16 THAT PERIODIC THIRD-PARTY AUDITS OF SQM DATA AND
17 REPORTS SHOULD BE REQUIRED. DOES BELL SOUTH AGREE?

18
19 A. Yes, within reason. BellSouth believes that third-party audits of the
20 SQM data and reports are appropriate and, as such, has included in its
21 SQM as Appendix C, a BellSouth audits policy. However BellSouth's
22 measurement data is produced by a regional system and managed by
23 the same regional organization. Therefore, to the extent possible,
24 audits should be conducted regionally since many of the processes and
25 programs are the same from state to state.

1

2 Q. MS. KINARD, ON PAGE 49 OF HER TESTIMONY, PROPOSES THAT
3 A COMPREHENSIVE AUDIT BE CONDUCTED EVERY TWELVE
4 MONTHS. HOW OFTEN DOES BELL SOUTH BELIEVE THE AUDIT
5 SHOULD BE CONDUCTED, AND HOW SHOULD THE AUDIT SCOPE
6 BE DETERMINED?

7

8 A. As stated in Appendix C of the BellSouth SQM, "if requested by a
9 Public Service Commission or by a CLEC [Competitive Local Exchange
10 Carrier] exercising contractual audit rights, BellSouth will agree to
11 undergo a comprehensive audit of the current year aggregate level
12 reports for both BellSouth and the CLEC(s) for each of the next five (5)
13 years (2001-2005), to be conducted by an independent third party.
14 BellSouth, the PSC [Public Service Commission] and the CLEC(s) shall
15 jointly determine the scope of the audit."

16

17 Q. ALSO ON PAGE 49 OF HER TESTIMONY, MS. KINARD STATES
18 THAT BELL SOUTH SHOULD BEAR THE ENTIRE COST OF THE
19 PERIODIC THIRD-PARTY AUDITS, IF REQUIRED. IS THIS
20 BELL SOUTH'S POSITION?

21

22 A. No. Again, as Appendix C of the BellSouth SQM provides, BellSouth
23 proposes that, "the cost shall be borne 50% by BellSouth and 50% by
24 the CLEC or CLEC(s)." The CLEC's half of the cost should be shared

25

1 by all CLECs participating in the audit. Since the audit is for the benefit
2 of the CLECs, it seems reasonable that they help pay for it.

3

4 Q. WHO SHOULD SELECT THE THIRD-PARTY AUDITOR IF A THIRD-
5 PARTY AUDIT IS REQUIRED?

6

7 A. BellSouth proposes that “the independent third party auditor shall be
8 selected with input from BellSouth, the Authority, if applicable, and the
9 CLEC(s).” Again, the parties with a real interest in the audit should
10 participate not only in paying for the audit, but in selecting the auditor.
11 This certainly includes BellSouth and the CLECs.

12

13 Q. IN ADDITION TO A COMPREHENSIVE ANNUAL AUDIT OF
14 BELL SOUTH’S PERFORMANCE DATA, SHOULD A CLEC HAVE
15 THE RIGHT TO MINI-AUDITS, OR TO REQUEST A REVIEW FOR
16 ONE OR MORE SELECTED MEASURES, WHEN IT HAS REASON
17 TO BELIEVE THE DATA COLLECTED FOR A MEASURE IS FLAWED
18 OR THE REPORT CRITERIA FOR THE MEASURE IS NOT BEING
19 ADHERED TO, AS PROPOSED BY MS. KINARD?

20

21 A. No, such a request is unnecessary. An audit is not needed to validate
22 the data collected for a measure. BellSouth provides the CLECs with
23 the raw data underlying many of BellSouth’s SQM reports as well as a
24 user manual on how to manipulate the data into reports. The CLECs

25

1 can use this raw data to validate the results in the BellSouth SQM
2 reports posted every month on the BellSouth web site.

3

4 Q. ARE THERE ANY OTHER REASONS WHY THE PROPOSED MINI-
5 AUDITS ARE INAPPROPRIATE?

6

7 A. Yes. There are approximately 96 CLECs operating in Tennessee.
8 While, Ms. Kinard does propose to limit the number of simultaneous
9 mini-audits to no more than three, there are issues concerning which
10 CLECs are allowed audits at any given time, how long they would take,
11 and what happens if the audit request is unjustified. There also is a
12 question as to whether the limit of three mini-audits per year that she
13 describes applies to Tennessee only. If this limit applies only to
14 Tennessee, such a proposal has substantial regional impact given that
15 BellSouth operates in nine states.

16

17 Beyond this consideration, if the annual comprehensive audit takes 6
18 months to complete (an optimistically conservative estimate based on
19 comprehensive audits in Georgia and Florida), there are only 6 months
20 left for mini-audits. Trying to accommodate the many potential
21 requests for mini-audits, some unwarranted, from the multitude of
22 CLECs in Tennessee, would likely result in multiple mini-audits each
23 month throughout the entire year. Again, this is in addition to a
24 comprehensive annual audit.

25

1 In addition, Ms. Kinard proposes that BellSouth pay fifty percent of the
2 cost of the audit "unless BellSouth is found to be 'materially'
3 misreporting or misrepresenting data," in which case BellSouth would
4 pay the entire amount. Yet, Ms. Kinard does not suggest that the
5 CLEC requesting the audit should be responsible for the entire cost if
6 BellSouth is found to have properly reported the data. This very one-
7 sided proposal would require BellSouth to pay at least 50% of the cost
8 of undetermined number of mini-audit requests whether unwarranted or
9 not. Based on the conditions set forth in the CLEC plan, there is
10 nothing to prevent frivolous requests from paralyzing the process of
11 providing current monthly performance results, while being required to
12 justify past month's results without a legitimate need.

13

14 So in short, Ms. Kinard wants: 1) a comprehensive audit each year, 2)
15 access to monthly raw data, complete with a raw data user's manual,
16 and 3) beyond this, up to three simultaneous mini-audits, without any
17 process of screening requests for validity. This proposal is entirely
18 unreasonable.

19

20 Q. IF MINI-AUDITS ARE REQUIRED, WHO SHOULD PERFORM THE
21 AUDITS?

22

23 A. As I testified previously, additional audits beyond the yearly
24 comprehensive audit are not necessary. Therefore, the question of
25 who should perform the audit should be moot.

1

2

Nevertheless, if the Authority determines that such an audit is

3

necessary, an independent third party should perform the audit. The

4

auditing firm should be selected by the CLEC(s) and BellSouth. If

5

parties cannot agree on the selection of an auditing firm, the Authority

6

can select the auditor.

7

8

9 PARAMETER DELTA

10

11 Q. AS A FINAL MATTER, BEFORE TURNING TO OTHER WITNESSES,
12 HOW DO YOU RESPOND TO MS. KINARD'S STATEMENT ON
13 PAGES 61 AND 62 OF HER TESTIMONY REGARDING THE
14 APPROPRIATE VALUE FOR THE PARAMETER DELTA?

15

16 A. Dr. Mulrow will address the statistical issues. However, regarding her
17 general comments concerning selection of the parameter delta value,
18 she provides no basis for her conclusion that a delta value of 0.25 is
19 appropriate. Her discussion regarding a comparison between the New
20 York, Texas and California enforcement plans versus BellSouth's
21 enforcement plan has no direct relevance to the selection of the
22 appropriate delta value. Since the plans she references do not use a
23 balancing critical value, no parameter delta is used in the New York,
24 Texas and California statistical methodologies. The Authority certainly
25 can't draw any conclusions from that discussion.

1
2 With respect to her concerns about solid support for BellSouth's delta
3 value, she ignores the fact that the selection of delta is a matter of
4 experienced judgment. In fact, the parameter delta values proposed
5 by BellSouth are based on work done in the Louisiana study, in which
6 AT&T's own statistician participated. Further, no other commission of
7 the Southeastern states that has considered the issue of determining
8 the correct parameter delta selected 0.25 as the correct value. The
9 value of 0.25, previously selected by the Authority, was in the context of
10 an arbitration hearing, specifically the ITC^DeltaCom arbitration. This
11 was prior to an opportunity for a more complete hearing on the issue,
12 as in the context of this generic docket.

13
14

15 **IV. REBUTTAL OF WITNESSES ALLEN, SAUDER, PAGE AND KAGELE**

16

17 Q. TURNING TO SOME OF THE OTHER WITNESSES IN THIS
18 PROCEEDING, PLEASE COMMENT GENERALLY ON THE
19 TESTIMONIES OF MR. ALLEN, MR. SAUDER, AND MR. PAGE.

20

21 A. Mr. Allen, Mr. Sauder, and Mr. Page attempt to loosely relate
22 operational issues to the subject of performance measurements,
23 apparently in order to introduce or discuss gratuitous complaints. Of
24 course, this docket is not a complaint proceeding; its purpose is solely
25 to determine the appropriateness of BellSouth's performance

1 measurement and enforcement plan. These anecdotal complaints do
2 not provide any meaningful input for the Authority in its deliberation on
3 appropriate performance measurements and enforcement
4 mechanisms. Beyond the irrelevance of these claims to this
5 proceeding, it is simply inappropriate to introduce these anecdotal
6 complaints in this docket. The Authority does not have sufficient
7 information, or time, to review data that would be necessary to make a
8 judgment as to the validity of these CLECs' allegations. If any of these
9 CLECs actually have legitimate complaints, they would be best handled
10 through the filing of a complaint under the well-established Authority
11 procedure, not in a generic performance measurement docket. Having
12 said this, BellSouth is not confirming that it has done any of the things
13 that these witnesses claim and it certainly has not intentionally harmed
14 a CLEC.

15
16 It should be noted that even if these witnesses had raised problems
17 with enough specificity for them to be addressed, it has not been the
18 intention of the FCC, nor should it be of this Authority, to craft a
19 performance measurement for every single item or service that
20 BellSouth provides to the CLEC community. The FCC, in ¶440 of its
21 Bell Atlantic New York Order, noted,

22 [c]ommenters have set forth a long list of specific criticisms,
23 arguing that the Plan: unduly forgives discriminatory conduct;
24 fails to deter targeted discrimination directed against individual
25 competing carriers; excessively aggregates performance data

1 and combines metrics, thereby masking unsatisfactory results;
2 and does not include penalties that escalate with the severity of
3 the performance shortfall. These criticisms, however, do not
4 undermine our overall confidence that the Plan will detect and
5 sanction poor performance when it occurs.

6
7 BellSouth's plan will "detect and [remedy] poor performance when it
8 occurs." Nonetheless, BellSouth does have measurements that would
9 capture any of the alleged deficiencies claimed by these CLECs.

10

11 Q. MR. SAUDER'S TESTIMONY FOCUSES ON BENCHMARKS AND
12 BUSINESS RULES CHANGES THAT HE PROPOSES FOR SEVERAL
13 PERFORMANCE MEASUREMENTS. PLEASE ADDRESS THESE
14 PROPOSED CHANGES.

15

16 A. Mr. Sauder's direct testimony addresses four specific performance
17 measurements, i.e., Firm Order Confirmation (FOC) Timeliness, Reject
18 Interval, Flow-Through and Average Completion Interval. I will respond
19 to his proposed benchmarks or business rule changes for each
20 measure in turn.

21

22 Firm Order Confirmation (FOC) Timeliness

23 Mr. Sauder is mistaken when he states that the Texas Commission
24 requires Southwestern Bell to return 95% of Fully Mechanized FOCs
25 within 1 hour and 95% of partially Mechanized FOCs within 5 business

1 hours. These benchmarks more closely match the Texas requirements
2 for the "Reject Interval" measurement, not the FOC Timeliness
3 measurement. In the Texas Plan, the benchmark for electronically
4 submitted "Simple Res. And Bus." orders is 95% within 5 hours, not 1
5 hour. Also, this benchmark applies to the combination of fully and
6 partially mechanized orders.

7
8 BellSouth's proposed FOC Timeliness measure specifies a benchmark
9 of 95% of Fully Mechanized FOCs returned within 3 hours, which is
10 better than the Texas measurement. While BellSouth does not use the
11 same product disaggregation structure as Southwestern Bell, the
12 benchmark for Partially Mechanized orders, which is analogous to
13 orders electronically submitted in the Texas Plan, is 85% within 10
14 hours. As already mentioned, under the Texas Plan, some of the
15 orders that are electronically submitted use benchmarks of 94% within
16 24 hours and 95 % within 48 hours. Again, BellSouth's benchmark
17 proposes a better benchmark of 85% within 10 hours. BellSouth
18 believes that the benchmarks it proposes are more than reasonable.

19
20 Reject Interval

21 BellSouth's proposed benchmark for mechanized orders is the same as
22 the Texas Plan measurement, i.e., 95% of rejects returned within 1
23 hour. However, for partially mechanized orders, the interval should be
24 extended significantly to reflect the need for human intervention.

1 BellSouth proposes a benchmark of 85% of partially mechanized
2 rejects returned within 10 hours.

3

4 Although partially mechanized orders are submitted electronically, once
5 the order falls out for manual handling, it is essentially no different than
6 a non-mechanized or fully manual request. BellSouth has
7 accommodated CLEC requests to allow more orders to be submitted
8 electronically, with the understanding that they will fall out for manual
9 handling. This is so that CLECs won't have to fax in many of these
10 requests. If it is understood that many orders that require manual
11 handling will be submitted electronically for CLEC convenience, it
12 should also be understood that the interval required to process many of
13 these requests will be closer to the interval for non-mechanized orders
14 than the interval for mechanized orders. For this reason, the
15 benchmark of 85% of rejects returned within 10 hours proposed by
16 BellSouth is appropriate.

17

18 Flow-Through

19 The benchmarks adopted by the Authority in the DeltaCom arbitration
20 and proposed by BellSouth for Percent Flow-Through Service

21 Requests are:

- | | | |
|----|--------------------|-----|
| 22 | • Resale Residence | 95% |
| 23 | • Resale Business | 90% |
| 24 | • UNE | 85% |
| 25 | • LNP | 85% |

1
2 These percent flow-through standards are based on the fact that some
3 order types are more complex than others. Therefore, for example,
4 because most of the residence orders are designed to flow-through, a
5 higher benchmark is used. Likewise, because business, UNE and LNP
6 orders are more involved than residence orders, the benchmarks are
7 less stringent. Establishing a benchmark of 98% for LSRs that are
8 “designed” to be processed mechanically, as suggested by Mr. Sauder,
9 would not provide any significant additional information. This is
10 especially true in light of the fact that no category shown allows for
11 more than 15% of the orders to fail to flow-through.

12
13 Mr. Sauder believes that UNE flow-through percentages should be the
14 same as resale percentages. However, the percentages are different
15 because there are additional considerations in UNE provisioning, that
16 are not necessary in resale cases and that often require manual
17 handling. Despite this fact, the percent flow-through standard for UNE
18 applications is just 5% less than for a resale business application.

19
20 Average Completion Interval

21 Mr. Sauder states that the business rule for BellSouth’s Average
22 Completion Interval should be changed so that the beginning time is
23 changed from the time that the order is entered into SOCS to the time
24 of “receipt of and accurate and complete LSR.” However, before it is
25 determined that an LSR is accurate and complete, the LSR must pass

1 certain validation tests. If the validation tests are passed, indicating
2 that the LSR is accurate and complete, a FOC is generated and the
3 order is entered into SOCS. This is the point that the clock begins to
4 run for the measure "Average Completion Interval." If the Average
5 Completion Interval is measured from the time the LSR is submitted, it
6 will overlap with the FOC timeliness measure interval. It is also
7 important to note that for orders submitted electronically, i.e., fully
8 mechanized and partially mechanized orders, the maximum standard
9 specified is 10 hours for partially mechanized and only 3 hours for fully
10 mechanized. Surely, these time frames would not distort the level of
11 service provided to the consumer.

12
13 As I discussed earlier in my testimony, BellSouth's SQM includes
14 several measurements that capture specific sub-intervals from the time
15 that the LSR is submitted until BellSouth notifies the CLEC that the
16 order is complete. FOC Timeliness measures from the receipt of a
17 valid LSR until a firm order confirmation is returned to the CLEC.
18 Average Completion Interval measures from the time the FOC is issued
19 until the order is actually completed in SOCS. Average Completion
20 Notice Interval measures from the time that the work is competed until
21 the time that the CLEC is notified that the work is completed. In
22 addition to these three measurements, BellSouth also captures the
23 entire interval from the time a valid LSR is submitted until the time that
24 the CLEC is notified of order completion in a measurement called Total
25 Service Order Cycle Time (TSOCT). TSOCT is the sum of the other

1 three measures mentioned and captures "the complete end user
2 experience" as suggested by Mr. Sauder.

3

4 Q. ON PAGE 4 OF HIS DIRECT TESTIMONY, MR. ALLEN PROPOSES
5 A 3-DAY BENCHMARK FOR LOOP DELIVERY WITH PRESUMABLY
6 LOW VOLUMES. HE STATES "GIVEN THE RUDIMENTARY
7 NATURE OF THE WORK BEING DONE, THESE INTERVALS ARE
8 AMPLE. xDSL LOOPS ARE NOTHING MORE THAN PLAIN COPPER
9 VOICE LOOPS, LIKE BELL SOUTH PROVISIONS EVERY DAY IN
10 TENNESSEE." IS MR. ALLEN'S ASSERTION CORRECT?

11

12 A. No. The provisioning process for xDSL loops requires a determination
13 that the loop is capable of carrying xDSL service. Additionally, if the
14 loop has load coils and bridged tap, both of which are suitable for voice
15 grade services, these must be removed as a part of the loop
16 conditioning process. Furthermore, xDSL services are not limited to
17 the 'plain copper voice loops' as Mr. Allen contends. XDSL can be
18 provided over fiber or Digital Loop Carrier (DLC) facilities only if a
19 DSLAM is placed at a remote location such that the facility between the
20 DSLAM and the customer is copper. An assessment must then be
21 performed to determine whether remote DSLAMS can be utilized to
22 make DSL available where fiber or DLC is involved. None of these
23 steps are required for voice loops that "BellSouth provisions every day
24 in Tennessee."

25

1 Interestingly enough, Ms. Kinard does not appear to agree with Mr.
2 Allen's proposals on a 3-day interval for xDSL provisioning. In Exhibit
3 KK-C, page 10 is her proposed measurement for Percent Completion
4 of Timely Loop Modification/De-Conditioning of xDSL loops. This
5 apparently measures the time it takes to remove load coils, repeaters
6 and bridged tap. The benchmark for this measurement is 95% within 5
7 days. That interval does not include the time interval for order
8 processing, nor does it include the provisioning time interval to wire the
9 circuit in the central office and at the customer's premise.

10

11 In this part of his testimony, it would appear Mr. Allen is not familiar with
12 the technical requirements of his company's primary product. It is also
13 readily apparent that Mr. Allen does not understand the provisioning
14 process required to provide xDSL. Yet on page 10, starting on line 11,
15 Mr. Allen contradicts his prior testimony by stating "Since DSL
16 technologies will not work in most instances on a loop that contains
17 filters, load coils, range extenders, repeaters, or excessive bridged tap,
18 DSL providers must have these loops conditioned before they will
19 support DSL services." I believe Mr. Allen has just stated the very
20 reason that BellSouth's proposed intervals for xDSL should be adopted
21 by this Authority.

22

23 Q. ON PAGES 11 AND 12, MR. ALLEN PROPOSES A NEW
24 MEASUREMENT FOR LOOP CONDITIONING INTERVAL. IS THIS
25 MEASUREMENT NECESSARY?

1

2 A. No. Loop conditioning is a part of the provisioning process and the
3 interval required for loop conditioning will be a part of BellSouth's
4 proposed Order Completion Interval. There is little value in establishing
5 yet another measurement for a small part of an overall process that is
6 already measured.

7

8 Q. IN ADDITION TO THE LOOP CONDITIONING INTERVAL
9 MEASUREMENT THAT HE PROPOSES, ON PAGE 15 OF HIS
10 TESTIMONY, MR. ALLEN SUGGESTS THE NEED FOR METRICS
11 THAT MEASURE "FULL PARTICIPATION IN JOINT TESTING, AND
12 THE AMOUNT OF LOOPS THAT SUCCESSFULLY PASS THE
13 TESTING ON TIME." DOES BELL SOUTH'S SQM ADDRESS THESE
14 CONCERNS?

15

16 A. Yes. BellSouth's proposed SQM includes a metric "Cooperative
17 Acceptance Testing - % of xDSL Loops Tested." The standard of "95%
18 of lines tested," is based on the total number of successful xDSL
19 cooperative tests where cooperative testing was requested by the
20 CLEC. There is also a metric for Percent Missed Installation
21 Appointments that would monitor BellSouth's performance in
22 completing the work on time.

23

24 Q. ON PAGE 16 OF HIS TESTIMONY, MR. ALLEN STATES THAT xDSL
25 PERFORMANCE SHOULD BE DISAGGREGATED "BY ALL LOOP

1 TYPES, NAMELY: UNBUNDLED ADSL, UNBUNDLED HDSL,
2 UNBUNDLED UCL (SHORT AND LONG), UNBUNDLED UDC/IDSL,
3 UNBUNDLED xDSL LOOPS AND UCL-NON-DESIGNED AND LINE
4 SHARED LOOPS.” IS THIS DISAGGREGATION APPROPRIATE?

5

6 A. No. In fact, the reason that Mr. Allen gives for proposing this
7 disaggregation is as follows: “By reporting data of specific performance
8 for each type of loop, Covad may be able to capture additional
9 efficiencies for its customers by altering the type of loop it orders.”
10 Based on this statement, Mr. Allen wants to use performance data to
11 make business decisions about what services to offer. This is surely
12 not the intent of establishing performance measurements. Mr. Allen,
13 himself, states “Covad believes that all of BellSouth’s xDSL loop
14 products are exactly the same facility: a plain copper loop, free of load
15 coils, excessive bridged tap, and other interferors.” Given this
16 statement by Mr. Allen and the fact that BellSouth’s benchmarks for
17 HDSL, ADSL, and UCL are the same, and UNE ISDN and UNE Line
18 Sharing are already shown as separate product sub-metrics, there is no
19 valid reason to implement the disaggregation that he proposes.

20

21 Q. TURNING NOW TO THE TESTIMONY OF TIM KAGELE OF TIME
22 WARNER TELECOM, HE ASKS THE TENNESSEE REGULATORY
23 AUTHORITY FOR A SET OF MEASUREMENTS, BENCHMARKS AND
24 ENFORCEMENT MECHANISMS SPECIFICALLY FOR SPECIAL
25 ACCESS SERVICES. IS THIS NECESSARY?

1

2 A. No. There are several reasons why this is not necessary. The primary
3 reason is that key measurements are already provided for in the tariffs
4 from which Time Warner is ordering the Special Access service. As an
5 example, Section 2 of the FCC Tariff No.1 contains measurements,
6 standards and consequences for service delivery and for service
7 interruption. These are the key measurements that address most of
8 the processes suggested by Mr. Kagele in his testimony.

9

10 Beyond the fact that Special Access already has a set of key
11 measurements, there is the legal issue of BellSouth's obligations under
12 Section 251 of the Telecom Act. I will not address this topic in my
13 testimony. BellSouth will address this issue in its post-hearing brief.

14

15 With passage of the 1996 Act, many CLECs began using tariffed
16 Special Access Services to provision local telecommunications
17 exchange service. Of course, CLECs also had the choice of
18 purchasing unbundled loops and unbundled transport to a collocation
19 space in lieu of purchasing tariffed special access services.

20

21 The purpose of this proceeding is to establish performance
22 measurements, benchmarks and enforcement mechanisms for UNEs
23 and interconnection, not for tariffed services. BellSouth's proposed
24 SQM incorporates numerous measurements for the unbundled loops,
25 unbundled transport and UNE combinations that CLECs can purchase

1 to replicate special access service. The fact that Time Warner has
2 chosen to continue purchasing tariffed special access services in lieu of
3 purchasing UNEs should not be a part of this proceeding.

4
5 Q. ON PAGE 3 OF HIS TESTIMONY, MR. KAGELE SUGGESTS THAT
6 THE REASON CLECs ARE ORDERING SPECIAL ACCESS IS
7 BECAUSE THE PROCESSES FOR "ORDERING AND
8 PROVISIONING UNBUNDLED OR RESOLD SERVICES ARE STILL
9 NEW AND COMPETITORS EXPERIENCE DELAYS IN
10 PROVISIONING." DO YOU AGREE WITH THIS STATEMENT?

11
12 A. No. While the local interconnection market is relatively new in
13 comparison to the access market, BellSouth has approximately 5 years
14 of experience in provisioning services in the local interconnection
15 market. Furthermore, current provisioning data for Tennessee
16 demonstrates that BellSouth is provisioning Resale and UNEs for the
17 CLECs in substantially the same time and manner as retail.

18
19 Mr. Kagele's allegations about delays in provisioning for resale and
20 unbundled services will be addressed by the outcome of this docket.
21 The Authority will determine the measurements and standards
22 necessary to insure resale and unbundled services are provisioned in
23 an equitable manner.

24
25

1 Q. MR. KAGELE STATES AT PAGE 4 THAT, FOR SPECIAL ACCESS
2 SERVICES, BELL SOUTH "CURRENTLY PROVIDES
3 APPROXIMATELY SIX REPORTING METRICS IN THREE BASIC
4 OSS REPORTING CATEGORIES...." IS HE CORRECT?

5
6 A. No. BellSouth's SQM does not contain any metrics that measure
7 BellSouth's performance in provisioning tariffed services. Again, the
8 purpose of BellSouth's SQM is to enable an assessment of BellSouth's
9 performance in provisioning UNEs and interconnection, not tariffed
10 services.

11
12 Q. PLEASE RESPOND TO MR. KAGELE'S MENTION AT PAGE 6 OF
13 THE NEW YORK PUBLIC SERVICE COMMISSION'S ("NYPSC")
14 RECENT ACTION REGARDING IMPROVING AND MAINTAINING
15 HIGH QUALITY SPECIAL ACCESS SERVICES PERFORMANCE.

16
17 A. Mr. Kagele briefly references NYPSC Case No. 00-C-2051. I have
18 reviewed the NYPSC's Opinion and Order issued June 15, 2001 in that
19 case. In that proceeding, it appears to me that the NYPSC is
20 specifically addressing its concerns about the deterioration in Verizon's
21 provisioning of tariffed Special Access services, unrelated to Verizon's
22 provisioning of UNEs and interconnection.

23
24 Regarding tariffed Special Access services, the NYPSC directed
25 Verizon to provide rebates to customers whose appointments are

1 missed. BellSouth's access tariff provides for credit allowances similar
2 to those required of Verizon by the NYPSC.

3

4 The important point here is that the action taken by the NYPSC was in
5 response to complaints about Verizon's provisioning of tariffed Special
6 Access services. Mr. Kagele does not contend that BellSouth's
7 performance in this area is poor. In fact, at page 3, he notes that "the
8 processes and procedures associated with ordering Special Access
9 have been used for many years and is [sic] well developed...."

10 Apparently Mr. Kagele is satisfied with BellSouth's provisioning of these
11 services since his company has chosen to purchase these more
12 expensive tariffed services in lieu of UNEs. The bottom line is that Mr.
13 Kagele has provided no substantive rationale to the TRA that would
14 support his proposition that metrics be incorporated into BellSouth's
15 SQM to address provisioning of tariffed Special Access services.

16

17

18 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

19

20 A. Yes

21

22

23

24

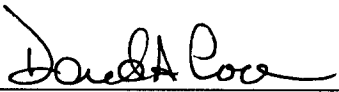
25

AFFIDAVIT

STATE OF: Georgia
COUNTY OF: Fulton

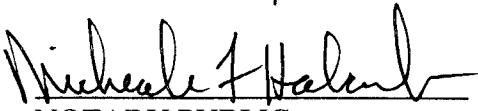
BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared David A. Coon –Director – Interconnection Services, BellSouth Telecommunications Inc., who, being by me first duly sworn deposed and said that:

He is appearing as a witness before the Tennessee Regulatory Authority in Docket No. 01-00193 on behalf of BellSouth Telecommunications, Inc., and if present before the Authority and duly sworn, his testimony would be set forth in the annexed testimony consisting of 128 pages and 5 exhibit(s).



David A. Coon

Sworn to and subscribed
before me on 9/10/01


NOTARY PUBLIC

MICHEALE F. HOLCOMB
Notary Public, Douglas County, Georgia
My Commission Expires November 3, 2001

Quantity of Sub-Metrics based on CLECs' proposal

BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No.01-00193
Exhibit DAC-R1
August 10,2001

(Disaggregation from KK-D)

Measurement Type	(From KK-E)	Quantity of Measures	System / Contract	Interface Types (EDI - TAG- LENS)	Geography - STATE / Center	(Time Buckets) / Volume / Severity Type	CLEC Total
OSS-1 Preording (Res Time)		1	7	3	1	1	21
OSS-1 (Interval)		1	7	3	1	3	63
OSS-2 Preording (Availability)		1	17	1	1	1	17
OSS-3 M&R (Availability)		1	9	1	1	1	9
OSS-4 M&R (Response)		1	11	1	4	5	220
PO-1 Loop Makeup (Manual)		1	1	1	1	7	7
PO-2 Loop Makeup (Electric)		1	1	1	1	7	7
OSS-102 (% S/W certification failures)		1	1	3	1	2	6
OSS-103 (S/W prob resolution timeliness)		1	1	3	1	2	6
OSS-104 (S/W prob resolution hours/days)		1	1	3	1	2	6
MI - Percent Response Commitments Met		1	1	1	1	5	5
							<u>367</u>

Quantity of Sub-Metrics based on CLECs' proposal

BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No.01-00193
Exhibit DAC-R1
August 10,2001

Measurement Type	(From KK-E)	Quantity of Measures	Product Disaggregation	Interface Types (EDI - TAG- LENS)	Geography / Center	Volume (1-5, 6-14, 15+)	Mechanization Type (Fully Mech, Part Mech, Manual)	Svc Ord activity	CLEC Total
O-3 Ordering (Flow-through)		1	33	3	3	3	1	14	12474
O-1 Ordering (Acknowledge Timeliness)		1	33	3	3	3	1	1	891
O-2 Ordering (Acknowledge Completeness)		1	33	3	3	3	1	1	891
O-7 Ordering (% Rejected Service Requests)		1	33	3	3	3	3	14	37422
O-8 Ordering (Reject Interval)		1	33	3	3	3	3	14	37422
O-9 Ordering (FOC Timeliness)		1	33	3	3	3	3	14	37422
O-11 Ordering (FOC/Rej Completeness)		1	33	3	3	3	3	14	37422
O-12 Ordering (Sp of Answer)		1	1	1	3	1	1	1	3
OP-104 Ordering (% Order Accuracy)		1	33	3	3	3	3	14	37422
OP-114 Ordering (Resp BST to CLEC Trunks)		1	1	1	1	3	1	1	3
O-13 Ordering (% Rejected Service Request) LNI		1	2	3	3	1	2	1	36
O-14 Ordering (Reject Interval) LNP		1	2	3	3	1	2	1	36
O-15 Ordering (FOC Timeliness) LNP		1	2	3	3	1	2	1	36
O-113 Ordering (Call Abandon Rate)		1	1	3	1	1	1	1	3
									201483

Quantity of Sub-Metrics based on CLECs' proposal

BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No.01-00193
Exhibit DAC-R1
August 10,2001

Provisioning Measurement Type(From KK-E)	Quantity of Measures	Product Disaggregation	Geography (See note 1)	Volume (1-5, 6-14, 15+)	Svc Ord activity	Dispatch Status (DI, DO, Non- Dispatch)	CLEC Total
P-1 Held Order - Facility, Load, Other	3	33	8	3	5	3	35640
P-2 Avg. Jeopardy Notice Interval	1	33	8	3	5	3	11880
% Orders Given Jeopardy Notices	1	33	8	3	5	3	11880
P-3 % Missed Installation Appointments	1	33	8	3	8	3	19008
P-4 Average Completion Interval/Distrib	1	33	8	3	8	3	19008
P-5 Average Completion Notice Interval	1	33	8	3	8	3	19008
P-9 % Troubles within 30 Days	1	33	8	3	6	3	14256
P-6 % Completions w/o notice or < 24 hrs notice	1	33	8	3	8	3	19008
P-7A Hot Cut Timeliness Early / Late	2	1	8	3	5	3	720
OP-108 % Orders Cancelled or Supp at ILEC	1	1	8	3	6	3	432
OP-109 % Hot Cuts not Working as Provisioned	1	1	8	3	5	3	360
P-7 Coordinated Customer Conv Interval	1	1	8	3	5	3	360
P-7B Average Recovery Time	1	1	8	3	5	3	360
OP-111 Mean time to restore customer to ILEC	1	1	8	3	5	3	360
OP-112 % customers restored to ILEC	1	1	8	3	5	3	360
P-8 % Cooperative Acceptance Testing	1	4	8	3	5	3	1440
OP-118 % Successful xDSL loops cooperatively tested	1	4	8	3	5	3	1440
OP-120 % Completion of timely loop modification	1	4	8	3	5	3	1440
P-12 LNP Missed Appointments	1	2	8	3	5	3	720
P-13 LNP Disconnect Timeliness	1	2	8	3	6	3	864
OP-121 % Billing Completion Notices in 2 days	1	33	8	3	8	3	19008
P-7C Hot Cut Troubles in 7 days	1	1	8	3	5	3	360
OP-104 Service Order Accuracy	1	9	1	1	1	1	9
							177921

Quantity of Sub-Metrics based on CLECs' proposal

BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No.01-00193
Exhibit DAC-R1
August 10,2001

M & R Measurement Type (From KK-E)	Quantity of Measures	Product Disaggregation	Geography (See note 1)	Volume (1-5, 6-14, 15+)	Trouble type (Kinard FL Transcript, P212)	Dispatch Status (DI, DO, Non-Dispatch)	CLEC Total
MR-2 Customer Trouble Report Rate	1	33	8	3	3	3	7128
MR-3 Maintenance Average Duration	1	33	8	3	3	3	7128
MR-4 % Repeat Troubles w/l 30 Days	1	33	8	3	3	3	7128
MR-5 Out of Service > 24 hours	1	33	8	3	3	3	7128
MR-1 % Missed Repair Appointments	1	33	8	3	3	3	7128
MR-6 Average Answer Time - Repair Centers	1	4	1	2	1	1	8
MR-7 Mean Answer Time Repair Service Center	1	4	1	2	1	1	8
MR-101 Call Abandonment Rate	1	4	1	3	3	3	108
							35764

Billing Measurement Type (From KK-E)	Quantity of Measures	Product Disaggregation (Resale / UNE / LIT)	System	CLEC Total
B-3 Usage Data Delivery Accuracy	1	3	2	6
B-6 Mean Time to Deliver Usage	1	3	2	6
B-105 % Billing Errors Corrected in X Days	1	3	2	6
B-5 Usage Timeliness	1	3	2	6
B-7 Recurring Charge Completeness	1	3	2	6
B-8 Non Recurring Charge Completeness	1	3	2	6
B-2 % on time mechanized invoice delivery	1	3	2	6
B-1 Invoice Accuracy	1	3	2	6
B-4 Data Delivery Completeness	1	3	2	6
				54

Quantity of Sub-Metrics based on CLECs' proposal

BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No.01-00193
Exhibit DAC-R1
August 10,2001

Miscellaneous Measurement Types (From KK-D)	Quantity of Measures	Product Disaggregation	Geography - STATE	CLEC Total
OS-1 to DA-2 OSDA	4	1	2	8
E-1 E911 (Timeliness)	1	1	2	2
E-2 E911 (Accuracy)	1	1	2	2
E-3 E911 (Mean Interval)	1	1	2	2
TGP-1 & 2 Call Completion (Trunking)	2	3	1	6
C-1 Collocation (Average Response Time)	1	8	1	8
C-2 Collocation (Average Arrangement Time)	1	8	1	8
C-3 Collocation (% of Due Dates Missed)	1	8	1	8
D-1 Database (Average Update Interval)	1	1	1	1
D-2 Database (% Update Accuracy)	1	1	1	1
D-3 Database (NNX and LRN loaded by LERG d	1	1	1	1
Mean Time to notify CLEC of network Outages	1	1	1	1
CM-5 % on time notification of interface Outages	1	6	1	6
CM-1 Change Management (% Notices Sent on t	1	6	1	6
CM-3 Change Management (% Document on Tirr	1	6	1	6
CM-2 Change Management (Notice Avg. Delay D	1	6	1	6
CM-4 Change Management (Document Avg. Del	1	6	1	6
CM-6 Change Management (ILEC vs CLEC Char	1	2	1	2
BFR 1/2 (BFR requests)	2	1	1	2
				<u>82</u>

Grand Total - CLEC Aggregate Submetrics

415671

Note 1: BellSouth and CLECs operate in 6 of the MSAs in Tennessee. To that we add 1 geographic area for those locations outside of an MSA . We alsoadd another geographic area representing the aggregate total for the areas of KY where BellSouth operates.

CORRELATED/DUPLICATED MEASUREMENTS

Using the Table of Contents in the permanent SQM the following list by Section are the measurements that are correlated/duplicated.

Section 1: Operations Support Systems (OSS)

OSS1: Average Response Time Pre-Ordering/Ordering OSS2: Interface Availability Pre-Order/Ordering CM-5: Notification of CLEC Network Outages

OSS3: Interface Availability – Maintenance OSS4: Response Interval – Maintenance

Section 2: Ordering

O-3: Percent Flow-Through Service Request (Summary) O-4: Percent Flow-Through Service Request (Detail)

O-9: Firm Order Confirmation Timeliness P-9: Total Service Order Cycle Time P-12: LNP – Total Service Order Cycle Time O-10: Service Inquiry with FOC Response Time O-15: LNP - Firm Order Confirmation Timeliness Interval Distribution & Firm Order Confirmation Average Interval

O-8: Reject Interval O-14: LNP Reject Interval

Section 3: Provisioning

P-1: Mean Held Order Interval & Distribution Interval P-2: Average Jeopardy Notice Interval & Percentage of Orders Given Jeopardy Notices P-3: Percent Missed Installation Appointments P-4: Average Order Completion Interval (OCI) & Order Completion Interval Distribution P-5: Average Completion Notice Interval P-9: Total Service Order Cycle Time P-12: LNP – Total Service Order Cycle Time

Section 4: Maintenance & Repair

M&R-1: Missed Repair Appointments
 M&R-3: Maintenance Average Duration
 M&R-5: Out of Service (OOS) > 24 Hours

M&R-2: Customer Trouble Report Rate
 M&R-4: Percent Repeat Troubles Within 30 Days
 M&R-6: Average Answer Time – Repair
 P-8: % Provisioning Troubles Within 30 Days of Service order completion

Section 5: Billing

B-4: Usage Data Delivery Completeness
 B-5: Usage Data Delivery Timeliness
 B-6: Mean Time to Deliver Usage

Section 6: Operator Services and Directory Assistance

OS-1: Speed to Answer Performance/Average Speed to Answer – Toll
 OS-2: Speed to Answer Performance/Percent Answered in “X” Seconds – Toll

OS-3: Speed to Answer Performance/Average Speed to Answer – Directory Assistance
 OS-4: Speed to Answer Performance/Percent Answered in “X” Seconds – Directory Assistance

Section 7: Database Update Information

M&R-2: Customer Trouble Report Rate
 D-1: Average Database Update Interval
 D-2: Percent Database Update Accuracy
 D-3: Percent NXXs Loaded by the LERG Effective Date

Section 8: E911

E-1: Timeliness
 E-3: Mean Interval

Section 9: Trunk Group Performance

TGP-1: Trunk Group Performance – Aggregate TGP-2: Trunk Group Performance – CLEC Specific

Section 10: Collocation

C-2: Collocation Average Arrangement Time C-3: Collocation Percent of Due Dates Missed

Section 11: Change Management

CM-1: Timeliness of Change Management Notices CM-2: Change Management Notice Average Delay Days

CM-3: Timeliness of Documents Associated with Change CM-4: Change Management Documentation Average Delay Days

P-12: Service Order Accuracy

Definition

The “service order accuracy” measurement measures the accuracy and completeness of a sample of BellSouth service orders by comparing what was ordered and what was completed.

Exclusions

- Cancelled Service Orders
- Order Activities of BellSouth or the CLEC associated with internal or administrative use of local services (Record Orders, Listing Orders, Test Orders, etc.)
- D & F orders

Business Rules

A statistically valid sample of service orders, completed during a monthly reporting period, is compared to the original account profile and the order that the CLEC sent to BellSouth. An order is “completed without error” if all service attributes and account detail changes (as determined by comparing the original order) completely and accurately reflect the activity specified on the original order and any supplemental CLEC order. For both small and large sample sizes, when a Service Request cannot be matched with a corresponding Service Order, it will not be counted. For small sample sizes an effort will be made to replace the service request.

Calculation

Percent Service Order Accuracy = $(a \div b) \times 100$

- a = Orders Completed without Error
- b = Orders Completed in Reporting Period

Report Structure

- CLEC Aggregate
- Reported in categories of <10 line/circuits; >= 10 line/circuits
- Dispatch / No Dispatch

Data Retained

Relating to CLEC Experience	Relating to BellSouth Experience
<ul style="list-style-type: none">• Report Month• CLEC Order Number and PON• Local Service Request (LSR)• Order Submission Date• Committed Due Date• Service Type• Standard Order Activity	<ul style="list-style-type: none">• No BellSouth Analog Exist

SQM Disaggregation - Analog/Benchmark

SQM LEVEL of Disaggregation	SQM Analog/Benchmark:
<ul style="list-style-type: none">• Resale Residence• Resale Business• Resale Design (Specials)• UNE Specials (Design)• UNE (Non-Design)• Local Interconnection Trunks	<ul style="list-style-type: none">• 95% Accurate

SEEM Measure

SEEM Measure		
No	Tier I	
	Tier II	

SEEM Disaggregation - Analog/Benchmark

SEEM Disaggregation	SEEM Analog/Benchmark
<ul style="list-style-type: none">• Not Applicable	<ul style="list-style-type: none">• Not Applicable

RESPONSE TO EXHIBIT KK-A

BellSouth Measurement	Business Rules, Exclusions, Calculations and Standards in Need of Immediate Change
OSS-1. Average Response Time and Response Interval (Pre-Ordering)	<p>Definition: The measurement time should begin when BellSouth receives the query from the CLEC and should end when BellSouth returns a response to the CLEC interface. BellSouth should be accountable for the period of time in which the query and its response are in its possession. Measuring a part of the process, as BellSouth does currently, provides inadequate and misleading information that does not reflect the CLEC experience or BellSouth's performance. The Commission should adopt a definition like that in the Texas plan which states: "The clock starts on the date/time when the request is received by SWBT, and the clock stops on the date/time when SWBT has completed the transmission of the response to the CLEC."</p> <p>Business Rules: (1) BellSouth should exclude syntactically incorrect queries from the measure. The query type measurements should show how long it takes to return valid query information that is useful to the CLEC. Responses to invalid queries could come more quickly than a response to a valid query, thus diluting the results in terms of how quickly CLECs receive the information sought through a syntactically correct query. (2) BellSouth should not be allowed to drag its feet in measuring new query types and new interfaces. It should agree to report on such new queries and interfaces within six to eight weeks after they go into production. BellSouth will be well aware of a new query or interface coming on line long before that interface or query type goes into production for CLECs, so the timeline proposed is more than generous.</p> <p>Disaggregation: BellSouth must capture all interfaces used, including PSIMS, and it must measure the speed of rejected queries and the number of queries receiving time outs to capture all preorder response time issues of concern to CLECs. Numerous time outs and slow rejects, as well as the speed of other query responses, can add up and cause a customers to become frustrated while the CLEC is trying to sign them up to new service.</p>
BellSouth's Position: The CLEC Coalition needs to review BellSouth's SQM filed in this docket. The time intervals start and stop at the appropriate places. "Syntactically" incorrect queries are, none-the-less, queries that impact the system. The CLECs would not propose that BellSouth exclude "syntactically" incorrect LSRs from reject reports. BellSouth does not "drag its feet" on measuring new queries or adding new systems. Each new system must be evaluated on its own merit relative to the amount of time required to develop a measurement. The CLEC Coalition should examine BellSouth's SQM for P/SIMS. It is there.	
OSS-2. Interface Availability (Pre-Ordering)	<p>Data Retained: BellSouth should be required to post its own scheduled hours of OSS availability on its web-site as it currently does for CLEC OSS availability. Parity of scheduled availability cannot be determined without this information. If CLECs do not know the starting point of this measure, the usefulness of the % schedule met is limited.</p>

RESPONSE TO EXHIBIT KK-A

<p>BellSouth's Position: This is an attempt to make a minor issue into a major one. CLEC OSS systems are scheduled for operation well beyond core business hours. As an example, EDI is scheduled for operation 24 hours a day and TAG is scheduled for operation from 3AM to 11:30PM. The % availability is based on that schedule. This is ample operational time for provide an efficient CLEC with the meaningful opportunity to compete. Furthermore, this measurement is a benchmark, not a retail analog, the posting of OSS availability is irrelevant.</p>	
<p>OSS-3. Interface Availability (Maintenance & Repair)</p>	<p>Disaggregation: BellSouth needs to disaggregate by all its OSS Systems, including those proposed by CLECs in the task force report. If any route to that OSS varies, then each interface route should be reported separately.</p> <p>Data Retention: BellSouth should be required to post its own scheduled hours of OSS availability on its web-site as it currently does for CLEC OSS availability. Parity of scheduled availability cannot be determined without this information. Without such understanding of the starting point of this measure, the usefulness of the % schedule met is limited. BST also must not do system maintenance more often in CLEC prime operational hours: 5 to 9 p.m. versus its own prime hours: 9 to 5 p.m.</p>
<p>BellSouth's Position: As noted above, OSS availability is measured against a benchmark of 99.5%. Consequently, since this is a benchmark measure and not an analog measure, BellSouth's performance is irrelevant. Moreover, each OSS is reported separately, although particular routes for getting to the interface may not be. The point of this measurement, however, is to determine whether the interface itself is available, not whether a particular route is available.</p>	
<p>OP-1. Percent Flow-through Service Requests (Summary) OP-2. Percent Flow-through Service Requests (Detail) OP-3. Flow-through Error Analysis</p>	<p>Exclusions: BellSouth's SQM should not exclude orders that fall to manual, through no fault of the CLEC, from the metric. It may measure whether the orders it has designed to flow through actually do, but it should also show the whole story on what orders have not yet been designed to flow through. The purpose of this measure should be to measure the percent flow-through capability of BellSouth's ordering systems. CLECs cannot improve the flow-through of error free orders, only BellSouth can. Therefore, it should be held accountable for its decision not to provide flow-through. Further, BellSouth is obligated to provide parity service. As it has provided no evidence that such orders fall out for manual processing for its retail operation, it should not be allowed to exclude such orders from its flow-through calculation for CLECs..</p> <p>In addition to the current level of discrimination, another consequence of allowing this exclusion is that BellSouth has no incentive, perhaps even a disincentive to improve its performance. Yet it is clear that the lack of flow-through causes additional delays, errors and costs. For example, FOC intervals are much longer for partially mechanized orders. It is also undisputed that having to re-key an order delays it and re-keying or otherwise manually handling an order increases the risk of error, which either causes the order to reject, creating more delay, or perhaps even to be provisioned incorrectly. CLECs request that the Commission reject this unjustified and discriminatory exclusion. At a minimum, the Commission should establish a timely sunset</p>

RESPONSE TO EXHIBIT KK-A

	<p>provision¹ on this exclusion to cause BellSouth to improve its flow-through performance. Fall out from errors occurring in SOCS should be included in the metrics, as should all fall out resulting from BST system issues. See Birch testimony.</p> <p>Additionally, BellSouth does not provide this report for LNP LSRs.</p> <p>Benchmark: BellSouth's benchmarks may be appropriate if total flow through is being measured, but if only orders designed to flow through as BellSouth currently proposes are counted then the benchmark should be a strict 98%. CLECs propose that both total and achieved/designed flow through performance should be measured.</p>
<p>BellSouth's Position: This issue has been argued repeatedly in other states such as Louisiana and Georgia. The FCC agrees that orders not designed to flow through for retail should not be assumed to flow through for CLECs. In a February 10, 1999 letter from Lawrence E. Strickling, Chief Common Carrier Bureau, FCC, Mr. Strickling stated that "in principle, complex orders that are manually processed for BellSouth's retail customers could be excluded from flow-through calculations." (Page 1, Section 1.)</p> <p>However the proposed BellSouth SQM has an additional flow through metric that does not exclude orders designed for manual fallout. In BellSouth's SQM, this metric is referred to as "Percent Achieved Flow Through." Contrary to the CLECs' contention, BellSouth does have the incentive to program LSRs to flow through where the volume of the LSR type is sufficient.</p> <p>LNP Flow through is included in this report.</p> <p>BellSouth's benchmarks are appropriate for this measurement and are consistent with commission findings in Louisiana and Georgia.</p>	
OP-4 Percent Rejected Service Requests	<p>Business Rules: BellSouth must identify all errors in orders in parallel, rather than catching and sending back each error one at a time. BellSouth's current serial process of rejecting orders extends the time for CLECs finally getting an order accepted. With BellSouth's long intervals for partially mechanized orders, repeated rejects can easily push out the due date for an order beyond the customer's toleration level. With numerous business rule changes and system update changes to learn, CLECs are apt to make mistakes. For them to quickly learn new rules a rapid rejection response catching all errors at once can speed up the CLEC's learning to avoid such errors in the future.</p>
<p>BellSouth's Position: The CLECs must submit properly formatted LSRs. Then this is not an issue. However, BellSouth mechanized OSS processes the LSR until an error is detected that prevents further processing and then rejects the LSR back to the CLEC for clarification. Certain fields on an LSR are interdependent such that multiple error checking is not possible. If the LSR falls out for manual handling, the LCSC Representative will clarify back to the CLEC all errors found in the review.</p>	
OP-5. Reject Interval	<p>Business Rules: BellSouth's business rules and formula should be changed to require BellSouth to calculate this measure as follows. The measured interval should end upon delivery by BellSouth of a</p>

¹ See Appendix H of the New York Inter-Carrier Service Quality Guidelines which sets forth a schedule of activities required to improve flow-through.

RESPONSE TO EXHIBIT KK-A

	<p>response to the CLEC interface. BellSouth should measure the entire interval up to the point that it returns the rejected LSR to the CLEC. BellSouth should be accountable for the time in which the rejection is in its possession. The Texas plan states as the end of its interval “the time the reject notice is <i>provided to EDI</i> (or LEX) and is <i>available</i> to the CLEC.”</p> <p>BellSouth’s SQM indicates that it uses the date/time stamp in LEO for mechanized orders. CLECs request that it be required to use the date/time stamp from the interface (LENs/TAG/EDI) as it does for the beginning of the interval. There is no justification for stopping short of delivery to the CLEC. For non-mechanized orders, BellSouth indicates that it is using LON, its order tracking system for non-mechanized orders. Again, BellSouth provides no justification and the CLECs request that BellSouth be required to use the actual stop time from the fax server as it uses the date/time stamp from the fax for the receipt of the order.</p> <p>Further, when a CLEC uses multiple OSS interfaces the reject interval should be measured for each one. Different interfaces can produce different rejection intervals, and disaggregated monitoring of such differences are needed.</p> <p>Standard: BellSouth’s intervals for partially mechanized orders are too long. Such rejections should be received in 5 hours not 48. Totally manual orders may have a longer, 24 hour, intervals. These intervals should include trunks. BellSouth’s proposed trunk rejection intervals—4 days—are too long to wait to learn that its order had not even been initiated yet.</p>
<p>BellSouth’s Position: The CLEC Coalition should review the SQM attached to Mr. Coon’s Direct Testimony as DAC-1. The time stamps are started and stopped at the CLEC interface as requested. This point was argued in Georgia and this measurement is consistent with the Georgia Commission Order. The disaggregation proposed by the CLECs provides no additional meaningful information, particularly since the benchmarks are applicable to all interfaces used by the CLECs. The benchmarks are 1, 18, and 24 hours respectively with the Trunks benchmark being 4 days as stated and these time frames are reasonable. The time frames proposed by the CLECs are unreasonable and could not be achieved without adding additional employees.</p>	

RESPONSE TO EXHIBIT KK-A

OP-6. Firm Order Confirmation Timeliness	<p>Business Rules: BellSouth's business rules and formula should be changed to require BellSouth to calculate this measure as follows: The measured interval should end upon delivery by BellSouth of a response to the CLEC interface. BellSouth should be accountable for the time in which the FOC is in its possession. and should be required to measure its performance as described in the Texas performance measures plan, which states "the end date and time is recorded by (both LEX and) EDI and reflect the actual date and time the FOC is available to the CLEC."</p> <p>BellSouth's SQM indicates that it uses the date/time stamp in LEO for mechanized orders. CLECs request that it be required to use the date/time stamp from the interface (LENS/TAG/EDI) as it does for the beginning of the interval. There is no justification for stopping short of delivery to the CLEC. For non-mechanized orders, BellSouth indicates that it is using LON, its order tracking system for non-mechanized orders. Again, BellSouth provides no justification and the CLECs request that BellSouth be required to use the actual stop time from the fax server as it uses the date/time stamp from the fax for the receipt of the order.</p> <p>Also, if CLECs order inbound BellSouth to CLEC trunks through ASRs, the confirmation of those ASRs should be included in this metric. CLECs also have proposed a separate measure to capture how quickly BellSouth responds to inbound trunk requests whether made through ASRs to which BellSouth sends a confirmation or by a Trunk Group Service Request to which BellSouth responds by sending an ASR. Either as part of the confirmation or a separate metric, measurement of the time it takes BellSouth to respond is critical to monitor. CLECs often wait long times for ILECs to send the ASRs when capacity is inadequate to carry calls from ILEC customers to CLEC customers. CLECs seek to have adequate inbound trunk capacity in place before adding new customers that would cause blocking for new and existing customers. Current trunking measurements do not capture this missing response time on inbound trunks.</p> <p>BellSouth also should confirm facilities availability for all orders, not just trunks, before issuing a confirmation. If CLECs cannot depend on the due date given them then confirmations are useless. Too often in BellSouth territory CLECs receive confirmations immediately followed by notice that the order is being held for facilities. Facilities checks should be a standard requirement for all orders.</p> <p>Disaggregation: BellSouth needs to disaggregate reporting by electronic, partially electronic and manual and by volume category if confirmation times differ by the size of the order. It also should disaggregate by any order activity (dispatch and non-dispatch, for example) that would be subject to different standard intervals for confirmations.</p>
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RESPONSE TO EXHIBIT KK-A

	<p>Standards: While BellSouth and CLECs agree the interval for confirmation of fully mechanized or flow through orders, BellSouth has proposed extremely long intervals for confirming partially mechanized and trunk orders. BellSouth should establish intervals of five hours for partially mechanized orders, similar to the intervals agreed to by SBC's Pacific Bell and Ameritech affiliates. SWBT has a five hour confirmation interval for all electronic orders. Manual orders, including trunk orders should be confirmed in 24 hours.</p>
<p>BellSouth's Position: Again the CLEC Coalition should review BellSouth's SQM for start and stop times. These have changed since the CLECs originally made these comments. Measuring the stop time for non-mechanized orders at LON is an appropriate measuring point. There is little difference in this time and the time when the FOC is automatically sent to the fax server. BellSouth does not check facilities on its retail orders prior to issuing a due date, to do so for the CLECs would discriminate against retail and add cost and time to the process. The CLEC can request a Service Inquiry on any order where the facilities are extraordinarily critical. The disaggregation proposed by the CLECs provides no additional meaningful information. The benchmarks proposed by BellSouth are consistent with Commission findings in BellSouth's region. The CLECs offer no rationale why the business rules, operations and practices of other regions such as SBC and Ameritech mean that the benchmarks supposedly adopted in those regions are appropriate in South Carolina.</p>	
OP-7 Speed of Answer (Ordering Center)	<p>Disaggregation: The reports should be by each help desk center the CLECs call into as each may have different answering times.</p> <p>Benchmark: The CLEC recommend a response time of 95% in 20 seconds and 100% in 30 seconds. In no case should the standard be worse than the state's end user standard of 90% in 20 seconds for BellSouth's business and residence centers. These standards would require conversion of the metric to % in X seconds metric. If the Commission retains the measurement as an average, then the standards would need to be adjusted accordingly. CLECs need to get assistance from a representative quickly when calling with an ordering, provisioning or maintenance problem. Often a single call will be about a problem holding up numerous, not just a single order from being completed.</p>
<p>BellSouth's Position: Tennessee does not have a specific end user speed of answer standard for business and residence centers. Believe Ms. Kinard is referring to another state. CLECs do not place orders via the phone, as does retail. Since orders are placed electronically or by fax, the Ordering Center's speed of answer does not inhibit placing an order. The CLEC's benchmark is unreasonable and unsupported.</p>	
OP-8 Mean Held Order Interval and Distribution Intervals	<p>Exclusions: BellSouth must not be allowed to exclude cancelled orders from these metrics. Often this will make performance look better than it is as CLECs cancel orders when it appears that BellSouth will not have the facilities to fill those orders for</p>

RESPONSE TO EXHIBIT KK-A

	<p>months. Further, customers may request cancellations themselves if the CLEC cannot tell them how long they have to wait for their order to be completed. If cancelled orders are excluded, the metric will not show the real story of how often CLEC orders are held for facilities or other reasons.</p> <p>Disaggregation: CLECs need to see how many orders are held by all products, including the various xDSL-capable loops with and without conditioning, line-sharing and splitting requests, etc. The results should also be disaggregated by the reason for the hold: "facilities," "load," and "other" at the very least.</p>
<p>BellSouth's Position: This is a parity measure computed the same for CLECs and BellSouth retail. Cancelled orders affect both. The Held Order Interval Measure reports orders held open (not completed) at the end of the report period. If an order's appointment is missed for BellSouth reasons but subsequently completed by the end of the report period, the order is reported as a BellSouth missed appointment in the Percent Missed Installation (PMI) report for that report period. In addition, the extended interval due to the BellSouth caused missed appointment is also captured in the Average Completion Interval (OCI). Facility delays are displayed on the report. If the CLEC wishes to investigate other types of reasons held, the data is available in its "raw" data file. As for the additional disaggregation proposed by the CLECs, this only adds to the measurements desired by the CLECs and adds little value.</p>	
<p>OP-9 Average Jeopardy Notice Interval</p> <p>Percentage of Orders Given Jeopardy Notices</p>	<p>Exclusions: Cancelled orders should not be excluded from the measure. CLECs need to see all the orders receiving jeopardies, particularly those that may lead to a cancellation if the delivery date is going to be missed.</p> <p>BellSouth should be required to remove its exclusion of orders submitted to BellSouth through non-mechanized methods. The Commission should not allow BellSouth to discriminate against CLECs who place orders via non-mechanized means. Information regarding jeopardy situations for non-mechanized orders is just as critical to the CLEC and its customers as it is for mechanized orders. Further, in some cases, for example, xDSL services and enhanced extended loops (EELs), CLECs have no choice but to use non-mechanized ordering. Finally, BellSouth provides this information for other status measures such as FOCs and rejection notices. The Commission should require BellSouth to provide jeopardy notices, regardless of the means of ordering, and to report its performance accordingly.</p> <p>Business Rules: The elapsed time should continue through weekends and holidays to capture the full length of the notice interval.</p> <p>CLECs need to have an equivalent opportunity to plan with customers for situations where an order appears to be in jeopardy as does BellSouth. Therefore, if any BellSouth representative can check on the status of the order, then CLECs need access to that same information sent through electronic or manual notices as requested.</p> <p>Calculation: The calculation should be based on the orders placed in jeopardy not just those orders sent jeopardy notices. To</p>

RESPONSE TO EXHIBIT KK-A

	calculate the metric as proposed by BellSouth would understate any problem in CLECs not receiving notices on orders that are going to be missed.
BellSouth's Position: Cancelled orders and non-mechanized orders are not excluded. Please refer to BellSouth's SQM. The elapsed time does include weekends and holidays and this does capture the full length of the notice interval. The CLECs <u>already</u> receive a notification that <u>retail does not receive</u>. Thus the CLECs already have more than an 'equivalent opportunity.' Many receive electronic notification. BellSouth retail must access a database to check status of an order to determine if it might be in jeopardy. The CLECs also have access to a database (C-SOTS) which is updated as status of orders change. The CLEC Coalition should refer to BellSouth's SQM for a closer look at the calculations. The Jeopardy Notice Interval uses number of orders given jeopardy notice while the Percent of Orders given Jeopardy Notices uses number of orders confirmed due in the reporting period.	
OP-10 Percent Missed Installation Appointments	<p>Business Rules: Disconnect and From orders should be disaggregated and reported separately, rather than be excluded as BellSouth proposes. CLECs need to see that their requests to disconnect customers from service are timely as well. This will help avoid billing disputes with the terminated customer.</p> <p>This measure should be changed to include time, when time specific appointments are ordered by the CLEC. This measure should evaluate the level of service CLECs are paying for and to which BST is committing, i.e. if the appointment is time specific, the measurement should be time specific. The end time for xDSL orders should include successful continuity testing with the CLEC, particularly if the CLECs' proposed measure on acceptance testing is not adopted.</p> <p>For CLECs, the interval should end with the issuance of the completion notice. This is when the CLEC knows that the order is complete and fulfillment information can be sent to the customer and billing started. For BellSouth, the completion time is the time entered into BellSouth's OSS Systems or any other database from which representatives can obtain completion information.</p> <p>Disaggregation: CLECs need to see how many orders are held by all products, including the various xDSL-capable loops with and without conditioning, line-sharing and splitting requests, etc. BellSouth's July 2000 SQM seems to make some movement in this direction, but only for Louisiana.</p>

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BellSouth's Position: Disconnect and From orders are correctly excluded from this measure. D and F orders might skew the data masking the misses on inward orders. Time specific appointments related to hot cuts are captured by Measurement P-6A, Coordinated Customer Conversions – Hot Cut Timeliness % Within Interval and Average Interval.

Cooperative Testing time intervals are included. While this is not an issue raised by the CLECs in this metric, BellSouth's definition of a successful test requires that the CLEC agree that the test was successful.

The interval appropriately stops with the delivery of service. The interval for completion notices is included as a separate measurement.

The disaggregation for Held Orders includes a specific category for each xDSL and Line Sharing loops. Further disaggregation is not meaningful.

OP-11. Average Completion Interval (OCI) Interval Distribution

Business Rules: Disconnect and From as well as expedite orders should be disaggregated and reported separately, rather than be excluded as BellSouth proposes. These usually are very short intervals that can skew total results, but CLECs need to know the speed at which disconnect and expedite orders are being met.

BellSouth should be required to modify its business rules and calculation to reflect the appropriate interval. The appropriate starting point for this measure is when BellSouth receives a valid LSR and the appropriate ending point is when a completion notice is sent to the CLEC. Both the New York and Texas performance measures plans begins this interval with the date that a valid service request is received, not when the order is entered into the SOC system as proposed by BellSouth. This would eliminate what could be considerable time from the interval, particularly for non-flow through orders.

Disaggregation: Orders designated "pending facilities" should be a level of disaggregation, as well as the other proposed levels of disaggregation in KK-C. CLECs need to see if BellSouth's orders designated as pending facilities get completed at a faster pace than CLEC orders that were pending facilities.

CLECs need to see disaggregation by the various xDSL-capable loops, line-sharing and splitting requests, etc. As mentioned above, information on whether these products also include conditioning should be a level of disaggregation. CLECs need to see if they are receiving line conditioning on orders in a non-discriminatory fashion.

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BellSouth's Position: Inclusion of D and F orders was considered and discarded by the Collaborative Group in Louisiana Workshops because of the possibility of masking more important inward orders.

The interval appropriately stops with the delivery of service. The additional interval for completion notices is included as a separate measurement. BellSouth's SQM has measurements which capture the entire experience for the CLEC customer at logical process points. The Reject Interval, FOC Interval, Order Completion Interval, and Completion Notice Interval reports capture every segment of the process. The Total Service Order Cycle Time (TSOCT) report captures the time requested by the CLECs. In a sense this is a disaggregation of the service delivery process.

An order designated as pending facilities is, by definition, not completed and thus should not be in this measurement. However the completion interval for the order is extended if a lack of facilities caused a miss in the committed delivery date. Orders pending facilities are addressed by The Held Application report, Jeopardy Interval report.

Disaggregation for xDSL: See above.

OP-12. Average Completion Notice Interval

Exclusions: BellSouth should be required to remove its exclusion of non-mechanized. The Commission should not allow BellSouth to discriminate against CLECs who place orders via non-mechanized means. Information regarding completion of service orders for non-mechanized orders is just as critical to the CLEC and its customers as it is for fully mechanized orders. Further, in some cases, for example, xDSL services and enhanced extended loops (EELs), CLECs have no choice but to use non-mechanized ordering. Finally, BellSouth provides this information for other status measures such as confirmation and rejection notices. The Commission should require BellSouth to provide completion notices, regardless of the means of ordering, and to report its performance accordingly.

Disconnections and From orders should be included in the measurement but reported separately to track performance,

BellSouth should be required to modify its business rules and calculation formula to indicate the measured interval ends upon delivery by BellSouth of a notice of completion to the CLEC interface (LENS, EDI, or TAG) or, if manual, the date/time stamp from the fax machine or server. BellSouth should be accountable for the time in which the completion information is in its possession.

BellSouth's current business rules have the ambiguous statement that "the end time is the time stamp the notice was submitted to the CLEC/BST system. CLECs request that the exact CLEC (not BST) system be identified as described above, so that, as in the Texas plan, the end interval measured is "the actual time (LEX) or **EDI received** the (SOC) notification and it is **available** to the client."

Benchmark: Completion notices need to be delivered promptly after actual physical work completion so CLECs know when

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	they own new customers and must respond to their needs. If the retail analog selected operates at the interval stated by BellSouth in collaboratives (an hour to an hour and a half) that is acceptable but most completion notices need to be delivered at least one hour after work completion.
BellSouth's Position: Again the CLEC Coalition needs to review BellSouth's SQM attached to Mr. Coon's Direct Testimony. No such exclusions are in the SQM and the time stamps are in the correct place as requested by the CLECs. The CLECs are reminded, once again, that proactive notification of completion is a service provided to the CLECs and not to retail.	
OP-13 Coordinated Customer Conversions Hot Cut Timeliness % within Interval and Average Interval	<p>Exclusions: Cancelled orders should be included to capture all the hot cut activity (even those attempts that prompt the customer to cancel the order) in the metric.</p> <p>Business Rules: The CLECs request that this measurement be modified to include the entire hot cut interval or replaced with the early and late cuts measures requested by the CLECs in my direct testimony. It is important that not only the start time of the cut, but the entire interval, including acceptance testing with the CLEC be included in this measure. The loop should not be considered delivered until BellSouth and the CLEC have checked whether electrical continuity exists. Customers will not tolerate timely delivery of non-working loops.</p> <p>Disaggregation: Particularly with the advent of line sharing and splitting, disaggregation by all the types of digital and xDSL loops offered by BellSouth is critical to detect problem areas with hot cuts.</p> <p>Benchmarks: The interval for 1-10 lines should be 1 hour and for 11 or more lines 2 hours. BellSouth's interval represents a flawed calculation that does not depict the actual performance on each individual cut. In any event, BellSouth's 15 minutes per loop is excessive and even the CLEC's standard above is generous considering it should not take more than 5 minutes per loop for conversion..</p>
BellSouth's Position: Again BellSouth has no control over why a customer cancels an order. BellSouth has 4 Hot Cut measures that capture every aspect of the Hot Cut process. The disaggregations currently used in the SQM are appropriate. BellSouth cuts an SL1 or SL2 loop over to the CLEC switch, which the CLEC can use to provide any number of services. The benchmarks proposed by the CLECs could be appropriate in some circumstances, but if the lines were on IDLC for instance, one hour would not be sufficient to cut ten lines. Moreover, for cuts beyond ten lines there would have to be a graduated schedule which the CLECs have not proposed. For instance, 500 lines could not be cut in two hours. Absent such a scale, BellSouth's proposal makes more sense.	
OP-14 Percent Provisioning Troubles	<p>Business Rules: The metric should include all trouble reports arising from the same order. A customer may experience several service disruptions related to provisioning problems and each should count as a provisioning trouble.</p> <p>Disaggregation: Disaggregation by trouble type and service type will help pick up problems described in Access Integrated Network's testimony regarding coordination of D & N orders.</p>

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BellSouth's Position: BellSouth's SQM counts the first trouble in this report just like it does for retail. Subsequent troubles are counted in the Percent Repeat Troubles within 30 days report. It has been shown that the troubles related to the service order will be reported in the first few days after completion of the order. NY and TX use 7 and 10 days in this report and Louisiana has ordered 5 days. BellSouth's proposed window of 30 days after the service order is completed is extremely generous.	
OP-15 Total Service Order Cycle Time (TSOCT)	I did not analyze this measure.
BellSouth's Position: This measure combines the intervals of FOC+OCI+ACNI to show the complete life cycle of a service request as CLECs requested for OP-11..	
MR-1 Missed Repair Appointments	<p>Exclusions: BellSouth may exclude customer provided or CLEC equipment troubles from the metric but it should report the number of exclusions monthly. This will enable the CLEC to monitor whether the exclusions seem high and perhaps were wrongly coded. In New York and Pennsylvania, such exclusions are reported separately by Verizon.</p> <p>Business Rules: The end time should be when the CLEC receives notice that the service is restored . This will enable the CLEC to notify BellSouth promptly if it disagrees that the service has been restored.</p>
BellSouth's Position: If the CLEC wants to analyze CPE troubles, it can use the Raw Data file or the CLEC's own recorded information to isolate and evaluate troubles excluded for this reason from the report. Before the BellSouth technician completes the trouble, he/she must notify the end user and call the CLEC if a number is provided.	
MR-2 Customer Trouble Report Rate	<p>See MR-1.</p> <p>Standard: The standard should be parity or no worse than the end user standard in N.C. Otherwise CLECs will not be able to meet the end user standard.</p>
BellSouth's Position: The standard is parity.	
MR-3 Maintenance Average Duration	<p>Exclusions: Customer and CLEC equipment troubles may be excluded but should be reported separately for the reasons stated in MR-1. BellSouth also should not exclude troubles that have lasted more than 10 days. There is no reason to exclude the longest or the shortest duration from this metric. Doing so only provides an inaccurate metric report.</p> <p>Business Rules: The trouble report should not be considered closed or service restored until the CLEC is given notice. "Restore" means to return to the normally expected operating parameters for the service and verification by the CLEC that the service has been restored. CLECs must be able to verify when informed that the trouble is closed that service has been restored to the customer. This will reduce the number of repeat trouble reports for services that were prematurely closed by BellSouth, but the CLEC customer's service is still impaired.</p> <p>Disaggregation: All maintenance metrics should be disaggregated by trouble type so CLECs can ascertain the specific types of problems (Central Office, Loop, etc.) where they may not be receiving parity service. This also protects BellSouth as dispatch troubles generally take longer than central office troubles and could make the metric look out of parity only because the CLEC had more dispatch troubles. So such disaggregation is particularly crucial for trouble duration.</p>

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BellSouth's Position: If the CLEC wants to analyze CPE troubles, it can use the Raw Data file or the CLEC's recorded information to isolate and evaluate troubles excluded for this reason from the report. The CLEC Coalition needs to review BellSouth's SQM attached to Mr. Coon's Direct Testimony filed in this docket. Troubles exceeding 10 days are not excluded. As noted above the end user and CLEC are notified before the trouble is closed. Also as noted in the SQM these reports are disaggregated by dispatch vs. non-dispatch and by numerous products. For further discussion about disaggregation, see Rebuttal Testimony. There are 165 trouble types and disaggregation to this low of a level is simply not required to assess parity.	
MR-4 Percent Repeat Troubles in 30 Days	<p>Business Rules: Customer and CLEC equipment trouble exclusions should be reported separately (See MR-1). Calculation: The denominator for the metric should be all repeat troubles received in the month, rather than all troubles closed. Using BellSouth's calculation could understate the problem for a month in which numerous troubles have not been closed by the end of the month.</p> <p>Standard: The standard should be parity or no worse than the state's end user standard. Otherwise the CLEC could not meet that standard.</p>
BellSouth's Position: Please refer to BellSouth's response to MR-1 above. The calculation of this measurement is correct as stated in the SQM. It correctly calculates the percent of total troubles that were repeated during the month. Maintenance measures always use closed troubles. The CLEC proposal would, in fact, lead to understating of the problem because many of the "received" troubles would be excluded, this number would inflate the denominator. Troubles not closed this month, will be closed and counted in the next month. This is a parity measure that treats CLEC and BellSouth records the same and uses the appropriate analog for comparison.	
MR-5 Out of Service (OOS) > 24 hrs.	CLECs have no changes for this metric.
MR-6 Average Answer Time (Repair Center)	<p>Disaggregation: If there is more than one maintenance center, then the results of both centers should be shown separately to monitor each center's performance. Standard: 95% calls should be answered in 20 seconds, and 100% in 30 seconds to ensure prompt taking of trouble reports. In no case, should the answer time be worse than the end user requirement.</p>
BellSouth's Position: This is a parity measure that uses an analog for comparison. The CLEC answer time is compared to the BellSouth answer time by repair centers.	
BL-1. Invoice Accuracy	<p>Invoice accuracy should not be based on adjustment dollars, as BellSouth is in control of whether or not it grants an adjustment, and is therefore in control of the outcomes of this measurement.</p> <p>CLECs request that the Commission order the additional billing measures in my direct testimony to address wholesale bill performance.</p>
BellSouth's Position: BellSouth's SQM Billing measures are the appropriate measures to use. They have been approved in several states and are also used by other RBOCs.	
BL-2. Mean Time to Deliver Invoices	<p>This measure should be modified to be based on percent invoices received on time, or the Commission should adopt the Percent On-Time Mechanized Local Service Invoice Delivery measure recommended by the CLECs.</p>

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BellSouth's Position: BellSouth's SQM Billing measures are the appropriate measures to use. They have been approved in several states and are also used by other RBOCs.	
BL-3 Usage Data Delivery Accuracy	Calculation: CLECs believe the metric should reflect the number of records not data packs delivered accurately. This is more in line with how accuracy has been calculated in the past for usage data..
BellSouth's Position: BellSouth's SQM Billing measures are the appropriate measures to use. They have been approved in several states and are also used by other RBOCs.	
BL-4 Usage Data Delivery Completeness	CLECs have no changes for this measure.
BL-5 Usage Data Delivery Timeliness	CLECs have no changes for this measure.
BL-6 Mean Time to Deliver Usage	Business Rule: CLECs believe that the measurement should begin with the generation of data by the CLEC retail customer or CLEC access customer (by the AMA recording equipment associated with the CLEC switch.). This will ensure that all usage (local and associated access) are covered by this metric.
BellSouth's Position: BellSouth's SQM Billing measures are the appropriate measures to use. They have been approved in several states and are also used by other RBOCs.	
OD-1 OS/DA Speed to Answer Performance/ Average Speed to Answer	Exclusions: BellSouth should not exclude call abandonment times. The customers likely abandoned the call because of lengthy waits for a response and such time should be included in the metric calculation. If the Commission adopts the CLEC's proposed new measure on call abandonment then this issue is moot. Standard: CLECs propose that 95% of calls be answered in 10 seconds. The metric would have to be changed from an average measure to a Percent in 10 Seconds to suit this benchmark. Otherwise the benchmark needs to be restates as an acceptable average. In no case, should the standard be worse than the end user standard for answering such calls, as the CLECs need to meet the end user standard.
BellSouth's Position: BellSouth's SQM OS/DA measures are the appropriate measures to use. They have been approved in several states and are also used by other RBOCs. The CLEC Coalition needs to review BellSouth's SQM attached to Mr. Coon's Direct Testimony filed in this docket. The CLEC Coalition will note abandoned call time is counted in the measure. Finally, the CLECs are reminded, once again, that the Operator Services platform for OS and DA is the same for the CLECs' end users as well as BellSouth. It is parity by design of the network architecture.	
OD-2 OS/DA Speed to Answer Performance/Percent Answered in X Seconds	CLECs propose that OS/DA performance be measured with a single metric, but disaggregated for OS and DA.
BellSouth's Position: See above.	
E-1 E911 Timeliness E-2 E911 Accuracy E-3 E911 Mean Interval	CLECs have no changes to these measures but want third-parity verification of BellSouth's claims that its E911 update processes are parity by design.
BellSouth's Position: Like OS/DA these processes are parity by design.	
TG-1 Trunk Group Performance – Aggregate	Business Rules: CLECs are seeking the inclusion of 911 trunks in this measure along with the OS/DA trunks that BellSouth has

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	<p>agreed to add.</p> <p>Disaggregation: BellSouth must disaggregate reporting by trunk type and design type. Combining trunks built to different blocking standards can hide blocking problems.</p> <p>Calculation: BellSouth's July 2000 SQM appears to make some changes in the calculation of this metric that CLECs will need to obtain further clarification. These clarifications may raise additional issues regarding this metric.</p> <p>Standards: BellSouth's 0.5% buffer is not acceptable. The measure should be based on parity in not exceeding the various blocking design levels.</p>
<p>BellSouth's Position: E911 and OS/DA Trunks are common trunks over which the blocking experience of all customers will be equal. The CLEC Coalition needs to review BellSouth's SQM to Mr. Coon's Direct Testimony filed in this docket. TGP-1 and TGP-2 provide a comparison of the blocking experience of CLEC and BST customers over their respective trunks sampled 24 hours a day. These measurements accurately reflect blocking for both CLEC and BST trunk groups and do account for differences in blocking standards if these differences exist.</p>	
TG-2 Trunk Group Performance – CLEC Specific	See TG-1.
<p>BellSouth's Position: E911 and OS/DA Trunks are common trunks over which the blocking experience of all customers will be equal. The CLEC Coalition needs to review BellSouth's SQM Exhibit DAC-1 to Mr. Coon's Direct Testimony filed in this docket. TG-1 and TG-2 provide a comparison of the blocking experience of CLEC and BST customers over their respective trunks sampled 24 hours a day.</p>	
TG-3 Trunk Group Service Report	No comment.
TG-4 Trunk Group Service Detail	No comment.
CO-1 Collocation Average Response Time	<p>Business Rules: Augments of existing collocation should be included in this metric. CLECs require timely responses when seeking to augment existing collocations as well to initiating new collocation construction. BellSouth's SQM appears to be making some movement toward better collocation disaggregation, but it still is missing some key areas such as remote and adjunct collocation.</p> <p>Standards: CLECs agree to accept the intervals established in the Commission's separate collocation proceeding, including a definition of what CLEC changes would and would not stop the clock on measuring time intervals.</p>
<p>BellSouth's Position: Augments are included. BellSouth is willing to accept findings of the Authority in a collocation proceeding.</p>	
C-2. Collocation Average Arrangement Time	<p>Business Rules: BellSouth should not be permitted to remove permit time. BellSouth should be accountable for the intervals for which it is responsible for having work completed. Removing permit time removes any incentive for BellSouth to conduct parallel work activities or work with government agencies for expeditious issuance of permits. Neither the performance plan of New York or Texas provides for such exclusions.</p>

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	<p>Further, a collocation should not be considered complete until the CLEC accepts the collocation and associated cable assignment information is provided. This definition has been adopted in New York and other states in the Verizon region.</p> <p>Disaggregation: Disaggregation should be by each collocation type and by augment type (additions with intervals of 30 day, 45 day, 60 day, etc.). BellSouth's SQM appears to be making some movement toward better collocation disaggregation, but it still is missing some key areas such as remote and adjunct collocations.</p> <p>Standards: See CO-1</p>
<p>BellSouth's Position: Permit time cannot be included as BellSouth is not responsible for handling this work. Once again the CLEC Coalition needs to review BellSouth's SQM Exhibit DAC-1 to Mr. Coon's Direct Testimony filed in this docket. The requested disaggregation is in the SQM.</p>	
C-3 Collocation Percent Due Dates Missed	See CO-1 and CO-2

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NEW LNP ISSUES REGARDING July 2000 SQM

OP-9 LNP Percent Rejected Service Requests	Exclusions: BellSouth should be required to remove the exclusion of non-mechanized LSRs. It provides this information for other types of services and should not be allowed to discriminate.
BellSouth's Position: The CLEC Coalition needs to review BellSouth's SQM. Manual LSRs are not excluded.	
OP-10 LNP Reject Interval Distribution and Average Reject Interval	See OP-9 above.
BellSouth's Position: Again manual orders are not excluded. The start and stop times are the same as for other rejects which is at the entry and exit points to the system (LENS, TAG, EDI, Fax Server).	
O-11 LNP Firm Order Confirmation Timeliness Interval Distribution and Firm Order Confirmation Average Interval	See OP-9. BellSouth's SQM does not specifically exclude, but it also does not specifically exclude non-mechanized LSRs.
BellSouth's Position: Manual LSRs are not excluded. The start and stop times are the same as for other FOCs which is at the entry and exit points to the system (LENS, TAG, EDI, Fax Server).	
OP-10 LNP Percent Missed Installation Appointments	Exclusions: The measure should be modified to include non-mechanized orders. The Commission should not allow BellSouth to discriminate against CLECs who place orders via non-mechanized means. Further, while some loop ordering is available to LENS users, LNP is not. BellSouth's performance for services ordered via non-mechanized means is obviously just as critical to the CLEC and its customers as it is for mechanized orders. Further, it is inconceivable that BellSouth can defend the exclusion of orders from a provisioning measure, such as missed appointments, simply based on how the service was ordered. The Commission should require BellSouth to capture performance data for all its measures, regardless of the means of ordering, and to report its performance accordingly.
BellSouth's Position: The CLEC Coalition needs to review BellSouth's SQM attached to Mr. Coon's Direct Testimony filed in this docket. Manual LSRs are not excluded.	
OP-11 LNP – Average Disconnect Timelines Interval & Disconnect Timelines Interval Distribution	Business Rules: BellSouth should be required to actually perform the disconnect activity before completing the service order in SOC's. Exclusions: BellSouth should be required to include non-mechanized orders. See comments in measure above.
BellSouth's Position: This measure is not proposed for Tennessee. The CLEC coalition should review BellSouth's SQM, attached to Coon Direct Testimony. BellSouth proposes two new LNP measurements based on Texas measurements 97 and 100. These are P-10A, Average Time Out of Service for LNP conversions and 2) P-10B, Percentage of Time BellSouth Applies the 10 digit trigger prior to LNP Order Due Date. Manual LSRs are not excluded.	
OP-12 LNP - Total Service Order Cycle Time	Business Rules: See OP-11 above. Exclusions: See OP-9.
BellSouth's Position: This measure combines the intervals of FOC+OCI+ACNI to show the complete life cycle of a service request.	

RESPONSE TO KK-B

Revised measure	Comments
PO-1 Loop: Loop Makeup – Response Time – Manual	<p>BellSouth does not disaggregate by type of loop, and its proposed benchmark of 3 business days is more lenient than the CLEC proposed 72 hour interval.</p> <p>BellSouth Position: BellSouth is confused by the point that Ms. Kinard is attempting to make here regarding disaggregation by type of loop. It is the CLEC’s responsibility to determine from the loop makeup if the loop will support the type of service they wish to order or not and qualify the loop. Loop disaggregation is irrelevant.</p>
PO-2: Loop Makeup - Response Time - Electronic	<p>BellSouth proposes a benchmark of 90% in 5 minutes for now, with reassessment after 6 months. The Georgia Commission ordered a short-term benchmark of 90% within 5 minutes, and a benchmark after six months of 95% within 1 minute. At the least, this approach should be adopted. Better yet, the benchmark of 95% within 1 minute should be adopted immediately.</p> <p>Moreover, BellSouth should be required to provide this information (and meet this standard) via EDI as well as TAG.</p> <p>BellSouth Position: The reason BellSouth proposed a benchmark of 90% in 5 minutes with reassessment after 6 months is because BellSouth is developing modifications to the back end OSS to enable faster response to electronic loop makeup requests. For the CLECs to expect BellSouth to modify this benchmark immediately is simply not reasonable. As with most benchmarks, the CLECs provide absolutely no rationale for suggesting that it be 95% within 1 minute immediately.</p> <p>Further, Loop Makeup – Response Time is a Pre-Ordering function. The CLECs are obviously not familiar with BellSouth’s EDI system. EDI is not currently a Pre-Ordering system, and, therefore is not applicable in this measure.</p>
O-1: Acknowledgement Message Timeliness	<p>The following BellSouth business rule needs to be clarified: “If more than one CLEC uses the same ordering center, an Acknowledgement Message will be returned to the `Aggregator`, however, BellSouth will not be able to determine which specific CLEC this message represented.” Obtaining individual results is vital to CLECs. This issue is especially critical as this measure is a proposed Tier 1 measure in BellSouth’s remedy plan.</p>

BellSouth response to additional proposed business rule changes

	<p>BellSouth proposes a benchmark of 90% within 30 minutes at first for EDI (moving to 95% within 30 minutes after six months) and 95% within 30 minutes for TAG. The benchmark should be 98% within 15 minutes for both EDI and TAG immediately. The CLEC intervals are generous in that the acknowledgement response is part of the transmission “handshake” and should normally be returned in seconds from receipt of an order.</p>
<p>BellSouth Position: The CLECs, in describing the acknowledgement response as a transmission ‘handshake,’ verifies that this action is a low level machine-to-machine communication. Therefore, if BellSouth receives a data packet containing requests from several CLECs, details of data packet content are not revealed at this point. This means that an acknowledgement can only be sent to the source of the request, the “Aggregator,” not to the individual CLECs. However, the fact that the acknowledgement is a low level transmission process does not establish that a benchmark of 98% within 15 minutes is necessary versus BellSouth’s proposal of 95% in 30 minutes. If CLEC specificity is truly ‘vital to the CLEC’ the CLEC itself should submit the LSR rather than using a third party.</p>	
O-3 to O-6: Flow-Through Measures	<p>Total flow-through and flow-through for orders designed to flow through should be measured separately.</p> <p>For orders designed to flow through, the benchmark for O-3 should be 98%.</p>
<p>BellSouth Position: Measurements O-3, Percent Flow-Through Service Requests (Summary), and O-4, Percent Flow-Through Service Requests (Detail), are disaggregated to reflect flow-through for residence, business, UNE and LNP levels. The different benchmarks for each of these classifications reflect the relative complexity of orders in each of these categories. It is to BellSouth’s advantage to achieve the highest level of flow-through that is feasible on all types of orders, irrespective of source. Experience shows that a 98% benchmark is unreasonable. Once again, the CLECs offer absolutely no rationale for suggesting a higher benchmark.</p>	
O-8: Reject Interval O-9: Firm Order Confirmation Timeliness	<p>BellSouth’s proposed benchmarks remain inadequate for partially mechanized and non-mechanized orders. Benchmarks should be at least 95% in 5 hours for partially mechanized orders and 24 hours for non-mechanized orders.</p> <p>BellSouth should be required to do electronic facilities checks to ensure that the due dates delivered in FOCs can be relied upon.</p>

BellSouth response to additional proposed business rule changes

BellSouth Position: As with most benchmarks proposed by the CLECs, this one has no basis in fact. Partially mechanized and non-mechanized orders obviously require varying degrees of analysis work. BellSouth must determine whether a given LSR can be corrected by a Service Representative, in which case an order confirmation may be given subsequent to correction, or a rejection should be transmitted. The benchmark intervals proposed by BellSouth reflect the fact that a need for human intervention suggests a basis for a much more liberal standard for processing time than a computer based response. It is not appropriate to set excessively stringent time-based thresholds for what is either fully or substantially a manual process. Electronic facilities check is not a measurement issue and is being addressed in arbitrations.	
O-10: Service Inquiry With LSR Firm Order Confirmation (FOC) Response Time Manual	The benchmark for this metric should combine the interval for Manual Loop Qualification with the appropriate FOC interval. At most, the benchmark should be 95% in 3 days for electronic orders and 4 days for manual orders.
BellSouth Position: This measurement already combines loop qualification with FOC.	
O-11: Firm Order Confirmation and Reject Response Completeness	BellSouth should include partially and non-mechanized orders.
BellSouth Position: This measurement already includes Firm Order Confirmation and Reject Responses for partially mechanized orders and the measurement was modified to include manual orders with the May data.	
O-12: Speed of Answer in Ordering Center	This metric should not be diagnostic. The benchmark should be 95% in 20 seconds and 100% in 30 seconds.
BellSouth Position: The CLECs do not place orders via the phone, as does retail. Since orders are placed electronically or by fax, the Ordering Center's speed of answer does not inhibit placing an order. This measure adequately measures BellSouth's performance. The benchmark proposed by the CLECs are arbitrary, and far exceeds what BellSouth provides to retail.	
O-13: LNP-Percent Rejected Service Requests	BellSouth has added manual LNP orders to its metric, which resolves one of the outstanding issues.
BellSouth Position: No response is required.	
O-14: LNP-Reject Interval Distribution & Average Reject Interval	BellSouth has added manual LNP orders to its metric, which resolves one of the outstanding issues.
BellSouth Position: No response is required.	
O-15: LNP – Firm Order Confirmation	Non-mechanized should be developed quickly and CLECs' proposed intervals for FOCs should be

BellSouth response to additional proposed business rule changes

Timeliness Interval Distribution & Firm Order Confirmation Average Interval	applied.
BellSouth Position: The CLECs' proposed intervals are unsubstantiated.	
P-4: Average Completion Interval	BellSouth's proposed intervals for xDSL with and without conditioning are too long. Interval for conditioning should be no more than 5 days.
BellSouth Position: BellSouth maintains its position that the proposed intervals of 7 days for UNE xDSL without conditioning and 14 days for UNE xDSL requiring conditioning are reasonable. The CLEC position that the intervals are too long is unsubstantiated.	
P-6A: Coordinated Customer Conversions -- Hot Cut Timeliness % Within Interval and Average Interval	<p>Metric should be clarified to make clear that an early cut would be included as a missed appointment if cut was restarted within original window. Thirty minute buffer is excessive. Different intervals for IDLC are inappropriate and unjustified.</p> <p>The benchmark should be 95% completed within cutover window. BellSouth only appears to be measuring whether the cut started on time, but does not measure whether it finished within the cutover window proposed by the CLECs.</p>
<p>BellSouth Position: A 15 minute interval on either side (plus or minus) of a scheduled cut time is clearly reasonable for this type of activity. Efforts such as these require some level of flexibility in establishing a window of cutover start times. If a cutover involves IDLC, the interval should be longer to account for the additional work content that is included. The benchmark for this measurement is 95% within the proposed window. Windows for non-IDLC and IDLC cutovers appropriately differ. It is not reasonable for a cutover that begins within the specified window to be considered a missed appointment as suggested by the CLECs.</p> <p>Measurement P-7 (Coordinated Customer Conversions Interval) reflects the time it takes to complete the coordinated cutover effort.</p>	
P6-B: Coordinated Customer Conversions – Average Recovery Time	<p>Only verified end user and CLEC caused reasons should be excluded. (i.e., the CLEC has to agree). Outages during and before the cut are included, not just those that can be reported after order completion through maintenance systems. BellSouth may separate out the later group of restorals and measure them as a disaggregation of Maintenance Average Duration with the same benchmark if it prefers.</p> <p>The benchmark should be 98% in 1 hour and 100% in 2 hours. These outages were caused by BellSouth's</p>

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	cut-over errors and, thus, should be easy for it to diagnose and resolve.
<p>BellSouth Position: BellSouth is confused about the statement ‘outages ...before the cut are included.’ These are typically included in Maintenance Average Duration. This is yet another attempt by the CLECs to change measurements apparently with the sole purpose of delay. CLEC and end-user caused reasons are appropriately excluded. BellSouth does work with CLECs to correctly identify the cause of an outage occurring prior to completion. This requires that the CLEC involved does not unreasonably withhold agreement with the determination that the outage was caused by the CLEC or end-user.</p> <p>Establishing a benchmark of 98% within 1 hour or 100% in 2 hours at this time is arbitrary and inappropriate.</p>	
P-6C: Coordinated Customer Conversions - % Provisioning Troubles Received Within 7 days of a completed Service Order	The benchmark should be 1%, not 5 % as BellSouth proposes.
<p>BellSouth Position: The arbitrary benchmark proposed by the CLECs is also inappropriate. The expected volume for a specific CLEC during any given time period may be limited. Small volumes would cause benchmark misses at a frequency level that does not represent the true level of service provided. The 5% benchmark proposed by BellSouth is more than adequate.</p>	
P-7: Cooperative Acceptance Testing - % of xDSL Loops Tested	<p>BellSouth should report the number of exclusions (CLEC caused failures monthly) so CLECs can determine whether their reports do not match up.</p> <p>The benchmark should be 99.5%.</p>
<p>BellSouth Position: The CLECs’ arbitrary standard of 99.5% is well beyond a parity-based requirement. BellSouth proposes a benchmark of 95% of the lines tested. While this is not an issue raised by the CLECs, BellSouth’s definition of a successful test requires that the CLEC agree that the test was successful.</p>	
M&R-3: Maintenance Average Duration	BellSouth should clarify what it means by a “correct” repair request and how a CLEC is informed that reporting of trouble is incorrect.
<p>BellSouth Position: A correct repair request is provided in the format specified by BellSouth to properly identify the type of trouble. The CLEC is informed if the trouble report is not correct at the time it is submitted.</p>	
M&R-6: Average	Benchmark should be the better of parity or at least the

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Time - Repair Centers	end user standard
BellSouth Position: This measurement is not identified as parity by design, however the processes are the same. Either a CLEC representative or a BellSouth customer makes a choice on the Repair Center's menu identifying a trouble. The request is then placed in queue. For CLECs, the average answer time in the UNE Center and the BRMC are comparable to the average answer time in the BellSouth Repair Centers.	
M&R-7: Mean Time to Notify CLEC of Network Outages	Parity by design needs to be confirmed by KPMG. If confirmed, no metric is needed, just information on how to get the same notices at the same time as BellSouth.
BellSouth Position: BellSouth's Network Management Center (NMC) electronically sends notification, to both CLECs and appropriate BellSouth personnel, of a customer impacting network incident. Since the notice is sent through the same medium and at the same time to both CLEC and BellSouth personnel, the process is parity by design.	
B-2: Mean Time to Deliver Invoices	Bills rejected because of BellSouth formatting or content errors should be included.
BellSouth Position: The CLECs' position here is simply not clear. The Mean Time to Deliver Invoices should only be based on the time it takes to deliver correct invoices. If the invoice contains formatting or content errors, this fact is identified in measurement B-1 (Invoice Accuracy). This design allows the measurements to capture distinct aspects of the billing process.	
D-1: Average Database Update Interval	Parity by design needs to be confirmed by KPMG.
BellSouth Position: The database (LIDB) update process begins when a service order is completed. All the downstream activities are procedurally the same for both BellSouth and CLEC orders. Therefore, this measurement is appropriately identified as parity by design.	
D-3: Percent NXXs and LRNs Loaded by LERG Effective Date	BellSouth's business rules should not define the interval by the completion of initial interconnection trunk groups when that happens after the LERG effective date. Otherwise, BellSouth could delay delivery of trunks to cover late LERG updates. The LERG effective date should be the end time in all cases.

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<p>BellSouth Position: The benchmark for this measurement is 100% by the LERG effective date. However, an exclusion is identified for situations where the CLEC interconnection trunks are not in place by that date due to the fact that the CLECs have not completed their work. The CLECs' delay is the reason for this exclusion. If the delay is caused by BellSouth, this occurrence would reflect a missed objective. There is no incentive for BellSouth to delay trunk delivery, since this action would show up as a benchmark miss and an increase in Trunk blockage.</p>	
CM-2: Change Management Notice Average Delay Days	Benchmark should be 95% in 5 days. For 30 days it should be a shorter delay day interval of no more than 3 days.
<p>BellSouth Position: Measurement CM-1 (Timeliness of Change Management Notices), establishes a standard of 30 days or greater notice to CLECs informing them of required software release dates. A benchmark of 95 % greater than or equal to 30 days is set. This is the primary measurement. If this primary threshold is missed, the secondary consideration is the average delay encountered. Since the 30 day minimum notice is missed the problem is identified. The CM-1 measure is identified as a Tier II penalty measurement and encourages BellSouth to provide timely notices. It is reasonable to establish a benchmark of $90\% \leq 8$ days for CM-2, the average number of delay days.</p>	
CM-3: Timeliness of Documents Associated with Change	<p>BellSouth's proposed exclusion for dates that slip less than 30 days "for reasons outside BellSouth control" is too broad.</p> <p>A Five day interval for documentation changes is too short for CLECs to be able to implement changes. CLECs recommend 30 days for documentation changes, unless it is for error correction, which should be provided within the five day timeframe. Further, if the documentation is associated with software changes, 90 days or more is needed for major releases.</p>
<p>BellSouth Position: The exclusion "for reasons outside BellSouth control," gives examples "such as changes due to Regulatory mandate or [CLEC] request" to describe the types of events that would be excluded. This exclusion is not too broad if read in light of the examples given. BellSouth establishes an objective of a 30 day minimum interval with a 95% or greater occurrence for releases requiring new features coding. This is the same interval as that given for notice of software releases (CM-1). The CLEC proposal of providing documentation 90 days or more in advance for major releases would require a longer interval for providing documentation of releases than the interval for providing notice of the change. A 5 day threshold is recommended for providing documentation associated with defects, corrections or clarifications. The CLECs discussion acknowledges that a 5 day interval is sufficient for error correction.</p>	
CM-4: Change	Benchmark should be 98% in 5 days.

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Management Documentation Average Delay Days	
BellSouth Position: The same argument applies here as that given in support of a benchmark level of 90% less than or equal to 8 days for measurement CM-2 (Change Management Notice Average Delay Days).	
CM-5: Notification of CLEC Interface Outages	BellSouth should explain how it verifies outage and the interval between first notice of outage and verification. If this interval is long, the notice could be delayed and still appear to be on time because of “verification” condition.
BellSouth Position: Before informing CLECs of an interface outage, BellSouth must be reasonably certain that an actual outage exists.	